

GOVERNANCE REGULATION

Al-Jouf Cement Company



رؤية
VISION 2030
المملكة العربية السعودية
KINGDOM OF SAUDI ARABIA

شركة أسمنت الجوف
AL JOUF CEMENT COMPANY

GOVERNANCE REGULATION
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Governance Regulation

This Regulation provides a framework for effective Company governance in an attempt to enhance the value of shareholders' investment. The Regulation addresses many key management issues and principles, as the company is keen to achieve best governance practices, highest ethical standards, accurate and transparent reporting of results and information, and full compliance with laws, rules, and regulatory requirements governing the company's operations.

The Board of Directors is responsible for overseeing the implementation of this Regulation and ensuring the effectiveness of its policies and regulations. The Board of Directors determines the future of the company and works to protect its assets and reputation and takes into account how its decisions relate to the company's

shareholders and its organizational framework. The members of the Board of Directors shall also apply skills and due diligence when exercising their duties towards the company, as we are committed to applying the utmost means of compliance, professionalism, and honesty. The members of the Board of Directors shall have fiduciary responsibility before the company's shareholders in respect of their performance of the company's affairs.

The use of the term "Governance" shall literally mean applying its concept in the broadest sense to the company's management, activities and business, and creating value for its shareholders and stakeholders. It shall also ensure the implementation of control systems to prevent conflicts of interest and irregular behaviour.

This Regulation was issued by a resolution of the General Assembly of the company's shareholders held on (--- -----), corresponding to, as amended by General Assembly Resolution dated corresponding to

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Chapter One: Preliminary Provisions

Article No. (1): Definitions

For the purpose of applying this Regulation, the following words and phrases shall have the meanings specified next thereto, unless otherwise required by the context.

The Regulation:	Al Jouf Cement Company Governance Regulation.
Companies Law:	Companies Law issued by Royal Decree No. (M/132) dated 12/01/1443 AH, corresponding to 30/06/2022 AD.
Capital Market Law:	Saudi Arabian Capital Market Law issued pursuant to Royal Decree No. (M/30) dated 02/06/1424 AH, corresponding to 31/07/2003 AD and its amendments.
The Company:	Al Jouf Cement Company.
Corporate Governance Regulations:	Corporate Governance Regulations issued by the Board of the Capital Market Authority.
Articles of Association (AOA):	Articles of Association of Al-Jouf Cement Company
Tadawul:	Saudi Stock Exchange Company.
CMA:	Capital Market Authority.
MOC:	Ministry of Commerce.
Company governance:	A set of rules for governing and directing the company that comprise mechanisms to regulate the different relationships between the Board of Directors, executive managers, shareholders, and stakeholders by establishing specific rules and procedures to facilitate the decision-making process and promote transparency and credibility to protect the rights of shareholders and stakeholders and achieve fairness, competitiveness, and transparency in finance and the business environment.
Rules of Offering:	The regulations and rules governing the process of offering and issuing securities and ongoing obligations to the public by CMA.
Shareholders' Assembly:	An assembly formed from the company's shareholders in accordance with the provisions of the Companies Law and the Company's Articles of Association.
Board of Directors (Board):	The Board of Directors of Al-Jouf Cement Company.
Board Chairman:	Chairman of the Board of Directors of Al Jouf Cement Company.
CEO of the Company:	The person appointed by the Board of Directors of the company, who is not a Board member, and is responsible for implementing the Board's decisions, managing the company's day-to-day operations, and leading its employees under the supervision and monitoring of the Board.
Executive management:	It includes the Chief Executive Officer of the company, along with the other members of the executive management team of the company, including (Deputy CEOs, Senior vice-presidents, and heads of subsidiaries).
Executive Director:	The Board member who is engaged full-time in the executive management of the company and participates in its daily business.
Non-executive Director:	A Board member who is not fully engaged in the management of the company and does not participate in the day-to-day business and to some extent is subject to independence criteria.
Independent Director:	A non-executive board member who enjoys complete independence in his/her position and decisions, and is not subject to any independence criteria as specified in the Corporate Governance Regulations.
Shareholder:	Any individual, group, or company that owns one or more shares in the company and whose name is listed on the share certificate and shareholder records at Saudi Stock Exchange (Tawadul).

- Cumulative voting:** It is a Proportional Voting Method that allows the selection of Board Members, where each shareholder is granted a voting power based on the number of shares he owns. Each shareholder can then use his voting power to vote for one candidate, or divide the same between multiple candidates without repeating the same votes.
- Related Parties:**
- a) Major shareholders of the company.
 - b) Board members of the company or any of its subsidiaries and their relatives.
 - c) Senior executives of the company or any of its subsidiaries and their relatives.
 - d) Board members and senior executives of the company's major shareholders.
 - e) Establishments - other than companies - owned by a Board member or a senior executive or their relatives.
 - f) Companies in which any of the Board members or senior executives or their relatives is a partner.
 - g) Companies in which any of the Board members or senior executives or their relatives is a member of its board of directors or a senior executive.
 - h) Joint-stock companies in which any of the Board members or senior executives or their relatives owns (5%) or more.
 - i) Companies in which any of the Board members or senior executives or their relatives have an influence on their decisions, even by providing advice or guidance.
 - j) Any person whose advice and guidance influence the decisions of the company, members of its board of directors and senior executives.
 - k) Holding companies or subsidiaries to the company.
 - l) The provisions of paragraphs (h) and (i) of this definition do not apply to advice and guidance provided professionally by a licensed person.
- Subsidiary:** A person who controls another person, is controlled by that other person, or is jointly controlled by a third person, and in any of the foregoing the control is direct or indirect.
- Major Shareholders:** Anyone who owns (5%) or more of the company's shares or voting rights.
- Controlling Share:** The share that give the ability to influence the actions or decisions of the company, directly or indirectly, whether individually or jointly with a relative or affiliate, through:
- i) Owning 30% or more of the voting rights in the company.
- The right to appoint 30% or more of the members of the Board of Directors.
- Stakeholders:** Everyone who has an interest with the company, such as employees, creditors, customers, suppliers, the community, the competent authorities, and legislators.
- Remunerations:** Amounts, allowances, profits and the like, periodic or annual Remunerations associated with short or long-term performance and incentive schemes, and any other benefits in kind except for reasonable actual expenses incurred by the company for the member of the Board of Directors for the purpose of performing his work.
- Day:** A calendar day, whether it is a working or non-working day.

Article No. (2): Regulation Objectives
This regulation aims to establish an effective legal framework for Company governance, and in particular to the following:
1. Empowering shareholders in the company and facilitating the exercise of their rights.
2. Statement of the responsibilities, powers, and duties of the Board of Directors and the Executive Management.
3. Activating the role of the Board of Directors and committees and developing their efficiency to enhance the decision-making mechanisms in the company.

4. Achieving transparency, integrity and justice in the company's work environment and enhance disclosure therein.
5. Providing effective and balanced tools to deal with cases of conflict of interest.
6. Enhancing control and accountability mechanisms for the company's employees.
7. Setting the general framework for dealing with stakeholders and observing their rights.
8. Increasing the efficiency of supervision of the company and providing the necessary tools for the same.
9. Promoting awareness of the concept of professional behavior within the company and encouraging its adoption and development.
Chapter Two: Shareholder
Article No. (3): General rights of shareholders
A. Fair treatment of shareholders
1. The Board of Directors is committed to protecting the rights of shareholders, ensuring fairness and equality among them.
2. The Board of Directors and the executive management of the company shall not discriminate between shareholders who own the same class of shares, and not to withhold any right from them.
3. The company shows in its internal policies the necessary procedures to ensure that all shareholders exercise their rights.
B. Shares-related rights
Shareholders shall be entitled to exercise their rights related to the shares, including, but not limited to:
1. Obtaining a share of the net profits to be distributed in cash or by issuing shares.
2. Obtaining a share of the company's assets upon liquidation.
3. Attending public or private shareholder assembly meetings, participating in their deliberations, and voting on their decisions.
4. Disposing of its shares in accordance with the provisions of the Companies Law, the Capital Market Law and their implementing regulations.
5. Inquiring and requesting access to the company's books and documents, including information and data related to the company's activities, operational and investment strategies, provided that this does not harm the company's interests or conflict with the Companies Law, the Capital Market Law, and their implementing regulations.
6. Monitoring the company's performance and the work of the Board of Directors.
7. The right to hold members of the Board of Directors accountable and file a lawsuit against them, and to challenge the invalidity of public or private shareholders' meeting decisions, in accordance with the conditions and restrictions stipulated in the Companies Law and the company's AOA.
8. Having the preemptive right of subscription to new shares issued in exchange for cash, unless the extraordinary general assembly suspends the exercise of such preemptive right, if so provided for in the company's AOA, in accordance with Article 140 of the Companies Law.
9. Registering his shares in the company's shareholder register.
10. The right to request a copy of the company's memorandum of association and articles of association, unless the company has published them on its website.
11. Nominating and electing members of the Board of Directors.
C. Providing and making available information to Shareholders
1. The company's articles of association, internal regulations, internal policies and procedures shall include measures that ensure the shareholders' exercise of their rights as guaranteed by law.

<p>2. The company shall provide all information that enables shareholders to fully exercise their rights. This information should be sufficient, accurate, regularly updated, and provided to shareholders on a regular basis. The company shall also apply an effective method of communicating with its shareholders based on no preference between one shareholder or another in providing this information.</p>
<p>3. The method of providing information to shareholders shall be clear and detailed, and include the company's information that shareholders can access, and it must be provided to all shareholders of the same class.</p>
<p>4. The most effective means of communicating with shareholders shall be followed, and no discrimination should be made between them in providing information.</p>
<p>D. Communication with Shareholders</p>
<p>1. The Board of Directors shall ensure communication between the company and shareholders based on a common understanding of the company's strategic goals and interests.</p>
<p>2. The Board Chairman and the Chief Executive Officer shall inform the remaining members of the Board of Directors of the shareholders' opinions and discuss the same with them.</p>
<p>3. No shareholder is allowed to interfere in the work of the board of directors or the executive management of the company unless he is a member of the board or executive management, or his interference is through the ordinary general assembly and in accordance with its terms of reference or within the limits and conditions permitted by the board of directors.</p>
<p>Article No. (4): Shareholders' rights related to General Assembly meetings</p>
<p>A. Shareholders' Assembly:</p>
<p>1. The general assemblies of shareholders are responsible for all matters related to the company, and the general assembly held in accordance with the legal procedures represents all shareholders in exercising their powers related to the company. It performs its role in accordance with the provisions of the Companies Law, its implementing regulations, and the company's articles of association.</p>
<p>2. The Ordinary General Assembly of Shareholders shall be held in accordance with the terms and conditions stipulated in the Companies Law, its implementing regulations and the Company's Articles of Association.</p>
<p>3. The Ordinary General Assembly shall be held at least once a year during the six months that follow the end of the company's fiscal year.</p>
<p>4. Other general assembly meetings are held whenever necessary as determined by the board of directors, or upon the request of the external auditor, the audit committee, or shareholders representing at least 10% of the company's capital. The auditor may also call for a general assembly meeting if the board of directors fails to do so within thirty days of the auditor's request.</p>
<p>5. Shareholders exercise their right to vote in the general assembly and are informed of the rules governing the meetings and voting procedures through the aforementioned general assembly announcements.</p>
<p>6. The Board of Directors encourages and facilitates the participation of shareholders to the widest possible extent in general assembly meetings by setting the most suitable time and place for the meeting and the method of holding the meeting.</p>
<p>7. The date, place, and agenda of the general assembly meeting shall be announced at least 21 days before the meeting date, and the invitation shall be published on the market's website and the company's website. Additionally, the company may invite its shareholders to attend general and special assemblies using modern technology methods.</p>
<p>8. The Board shall prepare an agenda for each meeting, taking into account the topics that shareholders wish to discuss in the meeting. Shareholders who own shares representing 10% or</p>

<p>more of the company's capital have the right to add one or more items to the agenda for discussion at the meeting, as permitted by the Law.</p>
<p>9. The Board of Directors shall single out each of the topics listed on the agenda of the General Assembly in a separate item, and not combine fundamentally different topics under one item. Moreover, the Board shall not place the businesses and contracts in which the members of the Board have a direct or indirect interest under one item; For the purpose of obtaining the vote of the shareholders on the item as a whole.</p>
<p>10. Shareholders shall be entitled to discuss any item on the agenda at the meeting, as well as direct questions to the board of directors and the external auditor during the meeting. The Board and the external auditor shall answer those questions unless their answers affect the interest of the company, provided that discussions are limited to the meeting items only.</p>
<p>11. All matters to be discussed in the meeting shall be supported by sufficient information to enable the shareholders to make the right decision regarding the specific item being discussed.</p>
<p>12. The minutes of the meetings shall be available to shareholders according to the regulations, and a copy should be provided to the Capital Market Authority.</p>
<p>13. The information on the Tadawul website should be updated immediately with the results of the General Assembly meeting.</p>
<p>B. Management of the Shareholders Assembly</p>
<p>1. The meetings of the shareholders' general assemblies shall be chaired by the chairman of the board of directors or his deputy in his absence, or whomever the board of directors delegates from among its members for that purpose in the absence of the chairman and his deputy.</p>
<p>2. The Assembly agrees to appoint a secretary for the Assembly and members to count the votes, except in the case of a virtual meeting where the secretary and vote-counting committee members are appointed by the chairman of the meeting.</p>
<p>3. The General Assembly discusses the items on the meeting's agenda.</p>
<p>4. All members of the Board of Directors shall attend the Annual General Assembly of Shareholders.</p>
<p>5. General assembly meetings shall provide shareholders with an opportunity to meet and communicate with the board of directors to develop a better understanding of the company's operations and expectations.</p>
<p>6. The minutes of each general assembly meeting shall include the names of the current shareholders or their representatives, the number of shares owned by each shareholder, whether present in person or by proxy, the number of allocated votes, the decisions taken, the number of votes for and against, and a comprehensive summary of the discussion that took place during the meeting.</p>
<p>7. After each meeting of the General Assembly, the minutes shall be entered in a special register signed by the Chairman of the Board of Directors and the secretary of the meeting.</p>
<p>8. The Chairman of the Shareholders' Assembly shall provide the shareholders with the opportunity to effectively participate and vote in the meetings of the General Assembly, and shall avoid taking any measure that may impede the attendance of the Assemblies or the use of the right to vote. Shareholders shall be informed of the rules governing the work of these meetings and the voting procedures.</p>
<p>9. Shareholders shall be entitled to discuss the topics listed on the agenda of the General Assembly and direct questions about them to the members of the Board of Directors and the auditor. These questions shall be answered to the extent that does not expose the company's interest to harm.</p>
<p>10. Shareholders shall be able to view the minutes of the General Assembly meeting, and the company shall provide CMA with a copy of the same within ten days from the date of the meeting.</p>

<p>11. The company shall announce to the public and notify CMA and the Market - in accordance with the controls determined by CMA - of the results of the General Assembly immediately upon its conclusion.</p>
<p>C. General Assembly Agenda</p>
<p>1. The Board of Directors, when preparing the agenda of the General Assembly, shall take into account the issues that the shareholders wish to include. Shareholders who own at least 10% of the company's shares have the right to add one or more items to the agenda of the General Assembly meeting when it is being prepared.</p>
<p>2. The Board of Directors shall single out each of the topics listed on the agenda of the General Assembly in a separate item, and not combine fundamentally different topics under one item. Moreover, the Board shall not place the businesses and contracts in which the members of the Board have a direct or indirect interest under one item; For the purpose of obtaining the vote of the shareholders on the item as a whole.</p>
<p>3. Shareholders shall have access through the company's website and the market's website - when the invitation to the general assembly meeting is published - to information related to the agenda items of the General Assembly meeting, particularly the board of directors' report, the auditors' report, the financial statements, and the audit committee report. This is to enable them to make informed decisions regarding these items. The company shall update this information in the event of amending the agenda of the General Assembly.</p>
<p>4. CMA may add whatever topics it deems appropriate to the agenda of the General Assembly.</p>
<p>D. Ordinary General Assembly</p>
<ul style="list-style-type: none"> • The general assemblies of shareholders are responsible for all matters related to the company, and the general assembly held in accordance with the legal procedures represents all shareholders in exercising their powers related to the company. It performs its role in accordance with the provisions of the Companies Law, its implementing regulations, and the company's articles of association. • The Ordinary General Assembly meeting discusses and addresses all issues related to the company, except for matters that fall within the scope of the extraordinary general assembly meeting. Here are some of the functions and powers of the Ordinary General Assembly:
<p>1. Appointment and removal of members of the Board of Directors.</p>
<p>2. Giving permission to a Board member to have a direct or indirect interest in the business and contracts that are made for the company's account, in accordance with the provisions of the Companies Law and its implementing regulations.</p>
<p>3. Giving permission to a Board member to participate in any activity that could potentially compete with the company or one of its branches, subject to the provisions of the Companies Law and its implementing regulations.</p>
<p>4. Monitoring the compliance of the Board members with the provisions of the Companies Law, its implementing regulations, other relevant laws and the company's AOA, and examining any damage arising from their violation of those provisions or their mismanagement of the company's affairs, determining the responsibility arising from that, and taking what it deems appropriate in this regard under the Companies Law and its implementing regulations. .</p>
<p>5. Forming the Audit Committee in accordance with the provisions of the Companies Law and its implementing regulations.</p>
<p>6. Approval of the company's financial statements.</p>
<p>7. Approval of the Board of Directors report.</p>
<p>8. Deciding on the proposals of the Board of Directors regarding the method of distributing net profits.</p>
<p>9. Appointing, re-appointing and changing the company's auditors, determining their remuneration, and approving their reports.</p>

10. Examining the violations and errors committed by the auditors of the company in the performance of their duties, as well as any difficulties notified to them by the auditors relating to the permission given thereto by the Company's Board or Management to access the books, records, and other documents, data, and clarifications necessary for the performance of their duties, and take the necessary measures in this regard.
11. Stopping setting aside the company's legal reserve once it reaches (30%) of the company's paid-up capital, and deciding to distribute the excess over this percentage to the shareholders of the company in the financial years in which the company does not achieve net profits.
12. Using the company's contingency reserve if it is not allocated for a specific purpose, provided that the use of this reserve is based on the proposal of the board of directors and in ways that benefit the company or its shareholders.
13. Creating other reserves for the company, other than the legal reserve and the contingency reserve, and disposing of the same.
14. Deducting amounts from the net profits of the company to establish social institutions for the company's employees or to assist existing institutions, in accordance with Article 129 of the Companies Law.
15. Approving the sale of more than (50%) of the company's assets, whether in one transaction or several transactions within twelve months from the date of the first sale transaction, and in the event that the sale of these assets includes what falls within the terms of reference of the Extraordinary General Assembly, the approval of the Extraordinary General Assembly shall be obtained.
16. Approving the decisions of the Ordinary General Assembly by the majority of the shares represented in the meeting.
E. The Extraordinary General Assembly
The Extraordinary General Assembly is responsible for the following:
1. Amending the company's articles of association, except for amendments that are considered void under the provisions of the Companies Law.
2. Increasing the company's capital according to the conditions prescribed in the Companies Law and its implementing regulations.
3. Reducing the company's capital if it exceeds the company's needs or if the company has suffered financial losses, in accordance with the conditions specified in the Companies Law and its implementing regulations.
4. Determining the use of the reserve allocated for specific purposes in the company's AOA.
5. Determining the continuation of the company or its dissolution before the deadline specified in its articles of association.
6. Deciding on unusual deals, including the sale of the company and mergers and acquisitions if they change the capital.
7. Deciding on any changes in the company that reduce property rights or impair shareholder interests.
8. Approving the company's shares purchase process.
9. Issuing preferred shares, approving their purchase, converting ordinary shares into preferred shares, or converting preferred shares into ordinary shares, based on a provision in the company's AOA and in accordance with the regulatory controls and procedures issued in implementation of the Companies Law for listed joint stock companies.
10. Issuing convertible debt instruments or sukuk that can be converted into shares, and stating the maximum number of shares that can be issued in exchange for those instruments or sukuk.
11. Allocating newly issued shares, when increasing the company's capital or part thereof, to employees of the company and its subsidiaries, or to some of them, or to any other eligible parties.

12. Suspending the preemptive right of shareholders to subscribe to a capital increase in exchange for cash or giving priority to non-shareholders in cases deemed appropriate for the benefit of the company, as specified in the company's articles of association.

F. Post-meeting Requirements

1. The company shall announce to the public and notify CMA and the Market - in accordance with the controls determined by CMA - of the results of the General Assembly immediately upon its conclusion.
2. Minutes of the meeting of the assembly shall be prepared including the number of shareholders present or represented, the number of shares they hold in their own name or by proxy, the number of votes allocated to those shares, the decisions taken, the number of votes in favor of or against those decisions, and a comprehensive summary of the discussions that took place during the meeting. The minutes shall be regularly recorded in a special register following each meeting and shall be signed by the chairman of the assembly, its secretary, and the vote collector.
3. The company shall publish the minutes of the general assembly meeting on its website or make them available for inspection at the company's headquarters. The company shall also provide a copy of the minutes to CMA within ten days from the date of the meeting.

Article No. (5): Shareholders' rights in dividends

1. The Board of Directors shall set a clear policy regarding the distribution of profits that balances the interests of the company and the interests of the shareholders. The Board of Directors shall clearly inform the shareholders of this policy which shall be included in the annual report of the Board of Directors.
2. The company shall announce the proposed dividends and the date of their payment. Shareholders registered in the Securities Depository Center have the right to receive dividends, whether in cash or bonus shares, at the end of trading on the day of the general assembly.

Article No. (6): Voting rights

Voting is considered a fundamental right for shareholders, so they should not be deprived of it in any way. The company should avoid taking any actions that hinder the exercise of the right to vote, and should strive to enable and facilitate shareholders to exercise this right.

1. Cumulative voting shall be used in the election of the Board of Directors, and the right to vote for a share should not be used more than once.
2. Every shareholder has the right to participate and vote in the meetings of the General Assembly, and the company shall avoid any action that would impede this right to vote, and shall facilitate shareholders' voting rights.
3. Cumulative voting shall be used when voting to elect members of the board of directors.
4. Shareholders may authorize any other shareholder who is not a member of the board of directors or an employee of the company, by means of a written proxy, to attend the general assembly meeting on their behalf.
5. Categories of investors who are legal persons and who act on behalf of others, such as financial funds, shall disclose in their annual reports their voting policies, actual voting, and how they deal with any significant conflicts of interest that may affect the exercise of basic rights related to their investments.
6. The meetings of the General Assembly may be held remotely through modern technology, after obtaining the approval of the competent authorities.

Chapter Three: Board of Directors
Article No. (7): Board of Directors Work Regulations
The Board shall establish a clear written regulation for the formation, powers, and responsibilities of the board, as well as the authority of the chairman and his deputy and their duties, the organization of board meetings, the tasks of its members, and their remunerations. The Board shall also set clear criteria for evaluating the members of the Board, its committees and the executive management of the company, in accordance with the requirements of the Companies Law and the Capital Market Law - as the case may be - and their implementing regulations, provided that the approved regulations are attached to Appendix No. (1) of this Regulation.
Chapter Four: Conflict of Interest
Article No. (8): Conflict of interest policy for board members and senior executives
The Board shall establish a clear written policy for dealing with actual or potential conflicts of interest that may affect the performance of board members, committee members, or senior executives when dealing with the company or other stakeholders, in accordance with the requirements of the Companies Law and the Capital Market Law and their respective implementing regulations. The approved policy should be attached to Appendix (2) of this regulation.
Chapter Five: Committees emanating from the Board of Directors of the company
Article No. (9): Board Committees
The Board shall have specialized committees to assist it in the performance of its responsibilities, including:
1. Audit Committee.
2. Nominations and Rewards Committee.
3. Any other committee that the Board deems appropriate to be formed according to the company's need, circumstances and conditions, in order to enable it to perform its duties effectively.
The Board shall set clear written regulations regulating the work of its committees, and specifying their powers, competencies and remuneration mechanism, in accordance with the requirements of the Companies Law and the Capital Market Law - as the case may be - and their implementing regulations, provided that the approved policy is accompanied by the following attachments:
Article No. (10): Committees' membership
Committees' members shall be appointed by the Board, except for the Audit Committee, whose members are appointed by the general assembly of the company. The board may make changes to the membership of the committees as it deems necessary, while taking into account the requirements of independence and necessary expertise of the members as applicable to the company, in accordance with regulatory requirements.
Article No. (11): Temporary Committees
a. In addition to the permanent committees stipulated in Article 10 of this Regulation, the Board may form other temporary committees as needed and as it deems necessary to perform its responsibilities, provided that the Board shall determine when forming these committees the following:
1. Committee name.
2. Number of committee members and its composition, including the appointment of the committee chairman.
3. Nature of the committee's work, its duties and powers.
4. The time period granted for the completion of the work of the committee and the submission of its report to the Board.
b. The Board may dissolve temporary committees or redefine their duties or membership.
Article No. (12): Responsibility of Board Committees
Without prejudice to the responsibilities of the Audit Committee towards the General Assembly of the company and its related powers in accordance with the regulatory requirements, the Board shall:

1. Follow-up the work of the committees emanating from the Board, and the committees shall submit their reports periodically to the Board through their chairmen.
2. The board shall always have membership and direct representation in the committees that emanate from it, to ensure their effectiveness and direction, and to ensure the soundness of their decisions, monitoring of their plans, and performance, in order to achieve the set objectives.
3. Ensuring the existence of internal regulations for the committees, defining the scope of the committees' powers, and setting and organizing decision-making mechanisms and the limits of the committees' authority. The board should also establish procedures for referring committee decisions to the board for approval or ratification.
Chapter Five: Internal Control
Article No. (13): Internal Control System
With regard to internal control, the Board of Directors shall:
1. Adopt an internal control system for the company to evaluate policies and procedures related to risk management, implement the provisions of this Regulation, and comply with relevant laws and regulations.
2. This system shall ensure that clear standards of responsibility are followed at all executive levels in the company and that related party transactions are carried out in accordance with their provisions and controls.
Article No. (14): Establishing an Independent Internal Audit department in the company
The company implements an internal control system through an internal audit department to assess and manage risks and conduct internal audits. The company may also engage external entities to perform risk assessment and internal audit functions, with the company retaining responsibility for these tasks and functions.
Article No. (15): Internal Audit Duties
The internal audit department is responsible for evaluating the internal control system and overseeing its implementation, as well as verifying the company's and its employees' compliance with applicable laws, regulations, instructions, company policies, and procedures.
Article No. (16): Internal Audit Formation
Internal Audit consists of at least one internal auditor whose appointment is recommended by the audit committee and who is accountable to it. The following is taken into account when composing and operating the internal audit:
1. That its employees have competence, independence and appropriate training, and that they are not assigned to any other work other than Internal Audit and the implementation of the internal control system.
2. The internal audit shall submit its reports to the Audit Committee, be associated with it and be accountable to it.
3. To have unrestricted access to information, documents and papers.
4. The remuneration of the Chief Internal Audit Executive should be determined based on the recommendation of the Audit Committee and in accordance with the company's policies.
Article No. (17): Internal Audit Plan
The internal audit shall operate according to a comprehensive audit plan approved by the Audit Committee, which is reviewed and updated annually. The plan shall include a review of key activities and processes, including risk management and compliance management activities, at least once a year.
Article No. (18): Internal Audit Report
A. The internal audit department shall prepare a written report of its activities and submit it to the Board of Directors and the Audit Committee at least quarterly. This report shall include an evaluation of the

<p>company's internal control system, the results and recommendations of the internal audit, and a statement of the actions taken by each management unit to address the results and recommendations of the previous audit, as well as any comments regarding the adequacy and timeliness of the actions taken.</p>
<p>B. The internal audit department shall prepare an annual written report and submit it to the Board of Directors and the Audit Committee regarding the audit activities conducted during the fiscal year and comparing them with the approved plan. The report should also explain any reasons for any deviation from the plan, if any, during the quarter that follows the end of the relevant fiscal year.</p>
<p>C. The Board of Directors determines the scope of the internal audit report based on the recommendation of the Audit Committee, provided that the report includes, in particular, the following:</p>
<p>1. Procedures for controlling and supervising financial affairs, investments and risk management.</p>
<p>2. Assessing the development of risk factors in the company and existing systems to face radical or unexpected changes in the financial market.</p>
<p>3. Evaluating the performance of the Board of Directors and senior management in implementing the internal control system, including determining the number of times the Board was informed about control-related issues (including risk management) and how these issues were handled by the Board.</p>
<p>4. Failures or weaknesses in applying internal control or emergency situations that affected or may affect the company's financial performance, and the steps taken by the company to address such failures (especially problems disclosed in the company's annual reports and financial statements).</p>
<p>5. The extent to which the company adheres to internal control systems when identifying and managing risks.</p>
<p>6. Information describing the company's risk management processes.</p>
<p>Article No. (19): Maintaining internal audit reports</p>
<p>The company shall maintain audit reports and work documents, clearly indicating what has been accomplished and the results and recommendations reached, as well as the actions taken in response thereto.</p>
<p>Chapter Seven: Company auditor</p>
<p>Article No. (20): Assignment of Audit Task</p>
<p>The company shall assign the task of auditing its annual accounts to an independent, competent, experienced and qualified auditor in order to prepare an objective and independent report for the board of directors and shareholders indicating whether the company's financial statements clearly and fairly reflect the company's financial position and its performance in all material aspects.</p>
<p>Article No. (21): Appointment of the auditor</p>
<p>The Ordinary General Assembly shall appoint the company's auditor based on the nomination of the Board of Directors, taking into account the following:</p>
<p>1. The nomination shall be based on the recommendation of the Audit Committee.</p>
<p>2. To be licensed and to fulfill the conditions set by the competent authority.</p>
<p>3. To have no conflict of interests with the company.</p>
<p>4. The number of candidates shall not be less than two auditors.</p>
<p>Article No. (22): Duties of the auditor</p>
<p>The auditor shall:</p>
<p>1. exercise the necessary care and diligence for the company's best interests.</p>
<p>2. report to CMA if the Board of Directors does not take the appropriate action regarding the suspicious issues it raised.</p>

3. request the Board of Directors to convene an Ordinary General Assembly if the Board fails to facilitate its work. The auditor shall also be responsible for compensating the damage that befalls the company, the shareholders, or third parties due to the errors committed thereby in the performance of its work. If there are multiple auditors who participate in the error, they are jointly liable.

Chapter Eight: Stakeholders

Article No. (23): Reporting Violations

Based on the recommendation of the Audit Committee, the Board shall adopt the necessary policies or procedures to be followed by stakeholders in submitting their complaints or reporting the violating practices, taking into account the following:

1. Facilitating the reporting by stakeholders (including employees of the company) to the Board of Directors of any actions or practices by the executive management that violate the applicable regulations, laws, and rules, or raise suspicion about financial statements, internal control systems, or any other matter, whether or not such actions or practices affect them directly, and conducting the necessary investigations in this regard.
2. Maintain the confidentiality of reporting procedures by facilitating direct contact with an independent member of the audit committee or other specialized committees.
3. Appointing a specialized employee to receive and deal with stakeholder complaints or reports.
4. Dedicating a phone or e-mail to receive complaints.
5. Providing the necessary protection for stakeholders.

Article No. (24): Employee motivation

The company seeks to develop programs that develop and motivate the participation and performance of the employees of the company. Such programs shall include the following:

1. Forming committees or holding specialized workshops to listen to the opinions of company employees and discuss with them the issues and topics that are the subject of important decisions.
2. The company has implemented programs to grant its employees shares in the company or a share of the profits generated thereby or retirement programs. It has also established an independent fund to finance these programs.
3. Establishing social institutions for the company's employees.

Chapter Nine: Professional and ethical standards

Article No. (25): Professional Code of Conduct.

The company applies a Professional Code of Conduct in the company, which includes in particular the following:

1. Making sure that every member of the Board of Directors, executive management and employees of the company exercises the required due diligence, care and loyalty towards the company, and everything that would preserve the interests of the company, develop it and maximize its value, prioritizing its interests over personal interests in all circumstances.
2. The Board member shall represent all shareholders in the company, and shall do whatever achieves the interest of the company and the interest of the shareholders, while observing the rights of other stakeholders not only the interest of the group that elected him.
3. Rooting the principle of commitment of the Board members and senior executives to comply with all relevant regulations, laws, and instructions.
4. Preventing a Board member or a member of the executive management from exploiting his job position with the aim of achieving his own interest or the interests of others.

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| 5. Emphasizing the limited use of the company's assets and resources to achieve the company's purposes and objectives, and not exploiting these assets or resources for personal gain. |
| 6. Establishing precise, firm, and clear rules that regulate the authority and timing of accessing the company's internal information, to prevent any misuse of such information by Board members, executives, or others, or disclosing it to anyone beyond the limits set by law or regulations. |

Chapter Ten: Disclosure and Transparency

Article No. (26): Disclosure and transparency policy

The Board of Directors shall establish a clear written policy for disclosure, transparency, and its supervisory procedures, in accordance with the disclosure requirements set forth in the Companies Law and the Capital Market Law - as the case may be - and their implementing regulations, rules of offering, continuous obligations, and other related regulations. The approved policy shall be attached to Appendix No. (5) of this Regulation.

Chapter Eleven: Document Retention

Article No. (27): Document Retention

The company shall keep all minutes, documents, reports, and other documents required to be kept under the company governance regulation, at the company's headquarters for a period of no less than ten years. Such documents shall include the report of the board of directors and the report of the audit committee. Without prejudice to this period, in case of any legal lawsuit (including any existing or threatened lawsuit), claim, or investigation relating to such minutes, documents, reports, or records, the company shall retain them until the end of such legal lawsuit, claim, or investigation.

Appendices

Appendix No. (1): Board of Directors Work Regulations
Appendix No. (2): Conflict of interest policy for board members and senior executives
Appendix No. (3): Disclosure and Transparency Policy

Board of Directors Work Regulations

Al Jouf Cement Company

This Regulation was issued by a resolution of the General Assembly of the company's shareholders held on (-----), corresponding to as amended by General Assembly Resolution On Corresponding to

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Article No. (1): Definitions

Article No. (1): Definitions

For the purpose of applying this Regulation, the following words and phrases shall have the meanings specified next thereto, unless otherwise required by the context.

The Company:	Al Jouf Cement Company and its subsidiaries.
Board Chairman:	Chairman of the Board of Directors of Al Jouf Cement Company.
Chairman of the Committee:	The person who heads a committee affiliated with the Board of Directors of Al Jouf Cement Company.
The Company's AOA:	It is the Articles of Association of Al-Jouf Cement Company
The Board:	The Board of Directors of Al-Jouf Cement Company.
CEO of the Company:	The person appointed by the Board of Directors of the company, who is not a Board member, and is responsible for implementing the Board's decisions, managing the company's day-to-day operations, and leading its employees under the supervision and monitoring of the Board.
Executive management:	It includes the Chief Executive Officer of the company, along with the other members of the executive management team of the company, including (Deputy CEOs, Senior vice-presidents, and heads of subsidiaries).
Tadawul:	Saudi Stock Exchange Company.
CMA:	Capital Market Authority.
MOC:	Ministry of Commerce.
Company governance:	A set of rules for governing and directing the company that comprise mechanisms to regulate the different relationships between the Board of Directors, executive managers, shareholders, and stakeholders by establishing specific rules and procedures to facilitate

the decision-making process and promote transparency and credibility to protect the rights of shareholders and stakeholders and achieve fairness, competitiveness, and transparency in finance and the business environment.

Shareholder:	Any individual, group, or company that owns one or more shares in the company and whose name is listed on the share certificate and shareholder records at Saudi Stock Exchange (Tawadul).
Cumulative voting:	It is a Proportional Voting Method that allows the selection of Board Members, where each shareholder is granted a voting power based on the number of shares he owns. Each shareholder can then use his voting power to vote for one candidate, or divide the same between multiple candidates without repeating the same votes.
Financial Statements:	The consolidated financial statements of Al-Jouf Cement Company and its subsidiaries, which comprise the consolidated statement of financial position as of December 31 of each Gregorian year, and the consolidated statements of income, cash flows and changes in equity for the year ending on that date.
Relatives or kinship:	<ul style="list-style-type: none"> - Fathers, mothers, grandfathers, grandmothers, even if deceased. - Sons, and their children, even if they are born later. - Full brothers and sisters, or either from the father's side or the mother's side. - Husbands and wives.
Competent authorities:	It includes shareholders' assemblies, the board of directors, board committees, and regulatory and governmental bodies outside the company.
Company departments:	Activities, sectors, departments or employees affiliated with the company in accordance with the administrative and organizational structure approved by the company and entrusted with the application and implementation of this regulation
Rules of Offering:	The regulations and rules governing the process of offering and issuing securities and ongoing obligations to the public by CMA.
Governance Regulation	Corporate Governance Regulations issued by the Board of the Capital Market Authority.
Shareholders' Assembly:	An assembly formed from the company's shareholders in accordance with the provisions of the Companies Law and the Company's Articles of Association.
Independent Director:	A non-executive board member who enjoys complete independence in his/her position and decisions, and is not subject to any independence criteria as specified in the Corporate Governance Regulations.
Executive Director:	The Board member who is engaged full-time in the executive management of the company and participates in its daily business.
Non-executive Director:	A Board member who is not fully engaged in the management of the company and does not participate in the day-to-day business.

Article No. (2): Formation of the Board and term of membership	
1.	The company is managed by a Board of Directors composed of seven members elected by the General Assembly of Shareholders for a term not exceeding four years.
2.	Membership of the Board of Directors shall expire either at the end of its term or upon the expiry of the membership in accordance with any applicable laws or regulations in the Kingdom. However, the Ordinary General Assembly may, at any time, remove all or some of the Board members, without prejudice to the right of the removed member to claim compensation from the company if the removal is for an unacceptable reason or at an inappropriate time. A Board member may resign provided that it is at an appropriate time, otherwise, they will be held responsible for any resulting damage. The General Assembly may, upon the recommendation of the Board, terminate the membership of any member who is absent from attending three consecutive Board meetings or five separate meetings during his membership term without a valid excuse accepted by the Board.
3.	If the Chairman and members of the Board of Directors resign/retire, they must call for the convening of an ordinary General Assembly to elect a new Board of Directors. The

<p>resignation/retirement does not take effect until the election of the new Board, provided that the duration of the resigned Board does not exceed the period specified in the regulations.</p>
<p>4. A member of the Board of Directors may resign from their membership by submitting a written notice to the Chairman of the Board. If the Chairman of the Board resigns, the notice shall be directed to the remaining members of the Board and the Secretary of the Board. The resignation takes effect from the date specified in the notice in both cases.</p>
<p>5. Unless otherwise stated by the company's articles of association, if a position of a Board member of a joint-stock company becomes vacant due to his death or resignation, and this vacancy does not result in a deficiency in the necessary conditions for the validity of the Board's meeting due to a shortage of the number of members below the minimum required by the regulations or the articles of association, the Board may temporarily appoint a person with the required experience and competence to fill the vacant position. The commercial register and CMA, if the company is listed in the financial market, shall be notified of the appointment within fifteen days from the date of appointment. The appointment shall be presented to the ordinary General Assembly at its first meeting, and the appointed member completes the remaining term of their predecessor.</p>
<p>6. Subject to the company's articles of association, the Board of Directors shall appoint a Chairman of the Board from among its members at its first meeting. The Board may also appoint one of its members as an executive or managing director and specify their duties and powers. If the company's articles of association do not specify the distribution of responsibilities, the Board of Directors assumes that responsibility.</p>
<p>7. The Board of Directors shall appoint, at its first meeting, a vice-chairman from among its members.</p>
<p>8. If a new Board of Directors is not elected or the required number of Board members is not completed, any interested party may request the competent judicial authority to appoint experienced and qualified individuals, in the number deemed appropriate, to supervise the management of the company. The judicial authority shall call for a General Assembly meeting within ninety days to elect a new Board of Directors or complete the required number of Board members, as the case may be, or to request the dissolution of the company.</p>
<p>9. The Board of Directors shall appoint a Secretary, either from among its members or others, and shall determine his duties, remuneration, and working conditions. The Secretary may also be appointed to work as a Secretary in any of the committees established by the Board. The Secretary of the Board may not be dismissed except by a decision of the Board.</p>
<p>Article No. (3): Powers of the board of directors</p>
<p>1. Subject to the powers and authorities prescribed for the ordinary General Assembly, the Board of Directors has the widest powers and authorities in managing the company, including making decisions, entering into contracts and agreements, and carrying out all other necessary actions to achieve the company's objectives. In performing its duties, the Board must exercise all powers and carry out all actions and activities that the company is authorized to exercise under its articles of association, provided that such actions are not within the scope of the general meetings of the shareholders according to the company's articles of association and the Companies Law. The Board's powers and authorities include, but are not limited to:</p>

<p>The Board of Directors has the power to approve financing agreements, financial derivatives, loans, and other banking, commercial, and investment agreements, regardless of their duration, with funds, financial institutions, commercial financial institutions, and others, provided that their terms do not exceed the end of the company's term. The Board shall specify in its decision the loans that exceed a duration of three years and the purposes for which the loans will be used, as well as the method of repayment. The Board shall ensure that the loan terms and guarantees provided do not harm the company, its shareholders, or the general guarantees for the creditors.</p>
<p>The Board of Directors has the power to purchase, sell, and mortgage the company's assets, real estate, and movable property, provided that the Board specifies in its decision the reasons and justifications for such actions. The price shall be paid in full, except in cases of necessity, with sufficient guarantees to ensure that the company is not harmed, its activities are not suspended, and it does not incur other obligations due to the conditions of the sale or mortgage.</p>
<p>The Board of Directors has the power to provide suitable loans and financial facilities to companies in which the Company holds direct or indirect shares or stocks, regardless of their duration. The Board may also provide guarantees and mortgages to creditors of those companies, and waive priority in repaying the Company's debts to those companies. The Board may provide financial, credit, technical, administrative, and investment support and manage the treasury of those companies, all in accordance with what the Board deems necessary to achieve the company's commercial objectives.</p>
<p>The Board of Directors has the authority to claim, initiate legal proceedings, and collect the company's receivables, as well as to reconcile and accept arbitration. In cases deemed appropriate by the Board, it may release the company's debtors from their obligations, provided that the minutes of the Board's meeting include the reasons and justifications for its decision, while taking into account the following conditions:</p>
<p>- The discharge of the debt shall be at least one year after the creation of the debt.</p>
<p>- The discharge decision must be for a specific maximum amount per year for each debtor.</p>
<p>- Discharge is the exclusive right of the board that cannot be delegated.</p>
<p>2. The Board of Directors may delegate its Chairman to perform certain tasks or activities within the scope of his powers. The Chairman of the Board may also delegate any or all of the powers delegated thereto to whomever he deems appropriate. Moreover, the Board may issue legal powers of attorney.</p>
<p>3. The Board of Directors may form any committee or committees to assist in the implementation of its tasks, or as required by the company's regulations, provided that the decision to form any of the committees shall specify the committee's mission, duration of work, powers granted thereto, and how the Board will supervise it.</p>
<p>Article No. (4): Responsibilities, duties and prohibitions of the Board of Directors</p>
<p>1. General responsibilities</p>
<p>The responsibilities of the Board, in addition to its terms of reference, are as follows:</p>

A. The Board of Directors shall represent all shareholders and exercise due diligence and loyalty in managing the company, and in all matters that contribute to preserving, developing, and maximizing its interests and value.
B. The Board of Directors is responsible for the company's activities, even if it delegates some of its powers to committees, entities, or individuals. In all cases, the Board cannot issue a general or indefinite authorization.
C. The Board of Directors shall develop plans, policies, strategies, and the main objectives of the company, supervise their implementation and periodic review, ensuring the availability of necessary human and financial resources to achieve them, including:
- Developing, reviewing and directing the company's comprehensive strategy, main work plans, and risk management policies and procedures.
- Determining the optimal capital structure of the company, its strategies and financial objectives, and approving estimated budgets of all kinds.
- Overseeing the company's major capital transactions, owning and disposing of assets.
- Setting performance targets and monitoring implementation and overall performance in the company.
- Periodically reviewing and approving the organizational and functional structures in the company, and verifying the availability of human and financial resources necessary to achieve the company's objectives and main plans.
D. Developing regulations and controls for internal control and general supervision thereof, including:
- Developing a written policy to address actual and potential conflicts of interest for members of the Board, executive management, and shareholders. This includes addressing the misuse of the company's assets and facilities, and any improper conduct resulting from transactions with related parties. The policy should also regulate the relationship with stakeholders in accordance with the provisions of the Governance Regulations.
- Ensuring the integrity of the financial and accounting regulations, including those related to the preparation of financial reports.
- Ensuring the application of appropriate control regulations for measuring and managing risks by developing a general perception of the risks that the company may face, creating an environment familiar with the culture of risk management at the company level, and presenting them transparently to the stakeholders and parties related to the company.
- Annual review of the effectiveness of internal control procedures in the company.
E. Developing clear and specific policies, standards, and procedures for Board membership that do not conflict with the mandatory provisions of the Governance Regulation, and putting them into effect after their approval by the General Assembly.
F. Conducting an annual review of all policies and regulations related to the Board and its committees, and updating them where necessary in accordance with regulations, instructions, and best practices.
G. Overseeing the company's financial management, its cash flows, and its financial and credit relationships with third parties.
H. Giving suggestion to the Extraordinary General Assembly regarding the following:
Using the contingency reserve of the company, if established by the Extraordinary General Assembly, for any purpose not specifically designated.
- Creating additional financial reserves or allocations for the company.
- Setting the method of distributing the company's net profits.
I. Preparing and approving the company's initial and annual financial statements prior to publication.
J. Preparing and approving the Board's report prior to publication.
K. Ensuring the accuracy and integrity of the data and information that must be disclosed, in accordance with the disclosure and transparency policies and regulations in place.

L. Establishing effective communication channels that allow shareholders to have continuous and periodic access to the various aspects of the company's activities and any significant developments.
M. Forming specialized committees under decisions that specify the duration of the committee, its powers, responsibilities, and how the Board will supervise it. The formation decision shall include the appointment of members, the definition of their tasks, rights, and duties, with an evaluation of the performance and work of these committees and their members.
N. Determining the types of remunerations granted to the company's employees, such as fixed bonuses, performance-related bonuses, and stock-based bonuses, in a manner that complies with the rules and regulations issued in implementation of the Companies Law for private joint-stock companies.
O. Setting the values and standards that govern work in the company.
P. The Board shall, based on the recommendation of the Audit Committee, adopt the necessary policies or procedures to be followed by stakeholders in submitting their complaints or reporting the violating practices, taking into account the following:
- Opening channels for stakeholders to (including employees of the company) report to the Board of Directors of any actions or practices by the executive management that violate the applicable regulations, laws, and rules, or raise suspicion about financial statements, internal control systems, or any other matter, whether or not such actions or practices affect them directly, and conducting the necessary investigations in this regard.
- Maintain the confidentiality of reporting procedures by facilitating direct contact with an independent member of the audit committee or other specialized committees.
- Assigning a competent person to receive and deal with stakeholder complaints or communications.
- Dedicating a phone or e-mail to receive complaints.
- Providing the necessary protection for stakeholders.
2. Responsibilities and tasks related to the company's governance and related regulations
The Board sets company governance rules in accordance with "the provisions and requirements of the Governance Regulations and related regulations, and it shall monitor their application, verify their effectiveness, and amend them when needed. To achieve this, the board shall:
- Verify the company's compliance with company governance rules.
- Review and update governance rules in accordance with statutory requirements and best practices.
- Review and develop rules of professional conduct and ethics that represent the company's values, and other internal policies and procedures to meet the company's needs and be consistent with best practices.
- ensure that the Board members are updated with the developments in the field of corporate governance and best practices, or delegate this responsibility to any other committee or department.
3. Responsibilities and special tasks towards subsidiaries
a) Adopting general strategies and investment plans, and approving financial goals.
b) Following up on financial performance.
c) Evaluating the performance of the boards of directors of subsidiaries.
d) The board retains its responsibilities towards subsidiaries regarding all material decisions that have legal or financial effects on the company.
4. Prohibitions for a board member
a) Insider trading.
b) Voting on the decision of the Board or the General Assembly in business and contracts that are made for the company's account if he has a direct or indirect interest in it.
c) Exploiting or benefiting, directly or indirectly, from any of the company's assets, information, or investment opportunities presented to him in his capacity as a member of the Board, or offered to the company. This may include investment opportunities that fall within the company's activities or

<p>that the company wishes to benefit from. The prohibition applies to a board member who resigns for the purpose of exploiting investment opportunities, directly or indirectly, that the company wishes to benefit from and that they became aware of during their tenure on the board.</p>
<p>d) Accepting gifts from any person who has business transactions with the company, if such gifts would lead to a conflict of interest.</p>
<p>e) To serve as a board member in the board of directors of more than five listed joint-stock companies at the same time.</p>
<p>f) To participate in any business that would compete with the company, or compete with the company in any of its business branches, unless he/she obtains a license from the ordinary general assembly allowing him/her to do so.</p>
<p>Article No. (5): Board meetings</p>
<p>1. The Board meets at the invitation of its chairman whenever the interest of the company so requires, provided that the number of meetings held does not fall below four meetings per year, with at least one meeting every three months. The chairman shall invite the board to meet when so requested by one of its members. The notice of the meetings, including the agenda, documents, and necessary information, shall be delivered by hand or sent to each member by email, registered mail, or other means of communication at least two weeks before the meeting, unless all members agree on a shorter notice period. If necessary, any member may participate in any board meeting by telephone, video conferencing, or any other electronic means that enable all members to communicate with each other in real-time. Participation in this manner is considered attendance at the meeting. In case of urgent need, the notice of the meetings, including the agenda, documents, and necessary information, may be sent at least one week before the meeting. The board holds its meetings at the main headquarters of the company, and may hold some of its meetings inside or outside the Kingdom.</p>
<p>2. Board members are expected to attend board meetings regularly, and independent board members are expected to attend all meetings where important and material decisions that affect the company's position are made.</p>
<p>3. If a board member resigns and has comments on the company's performance, he shall submit a written statement thereof to the chairman of the board, and this statement must be presented to the board members.</p>
<p>Article No. (6): Board minutes, and mechanism of approving meeting minutes</p>
<p>1. Board meeting minutes</p>
<p>1. The deliberations and decisions of the board of directors of the joint-stock company are documented in minutes prepared by the secretary and signed by the chairman of the meeting, the present board members, and the secretary.</p>
<p>2. The minutes are recorded in a special register signed by the Chairman of the Board of Directors and the Secretary.</p>
<p>3. Modern technology means may be used for signing, documenting, and proving the discussions, decisions, and minutes of the board of directors.</p>
<p>2. Quorum for the validity of Board meetings and representation</p>
<p>A Board meeting shall not be deemed valid unless at least half of the Board members (in person or by proxy) are present.</p>
<p>provided that the number of attendees is not less than three, unless the company's AOA specify a higher percentage or number.</p>
<p>A board member may delegate another member to attend and vote on his behalf in the meeting, subject to the following controls:</p>
<p>a) A member of the Board of Directors may not delegate someone else to attend the meetings of the Board or to vote on its decisions.</p>

<p>b) However, if so provided and permitted by the company's AOA, the Board member may delegate any of the members on his behalf, provided that the deputy member may not have more than one delegation.</p>
<p>3. Mechanism for approving Board meetings agendas</p>
<p>a) The Secretary of the Board shall prepare the agenda of the Board meeting in coordination with the Chairman of the Board at least 7 weeks before the meeting date, and send it to the council members at least 5 days before the meeting.</p>
<p>b) The Board shall approve the agenda as soon as it convenes, and if any member objects to this agenda, this must be recorded in the minutes of the Board meeting.</p>
<p>c) The Secretary of the Board shall send to the executive management of the company a list of topics to be presented to the Board at least 3 weeks before the date of the meeting, specifying the required procedures in terms of content, time, information, people required to attend the meeting, and submitting materials for each item of the meeting.</p>
<p>d) The Secretary of the Board shall provide the topics and notes required to be included in the Board's agenda, and send them to the members at least one week prior to the date of the session.</p>
<p>4. Decisions</p>
<p>The Board issues its decisions by a majority of the votes of the members present and represented at the meeting. In case of a tie, the Chairman's vote is decisive. The Board may issue its decisions when necessary by presenting them to the members separately, unless one of the members requests holding a Board meeting to discuss the same. The decisions issued in such cases shall be presented to the Board at the first subsequent meeting.</p>
<p>5. Mechanism for approving minutes of meetings and their requirements</p>
<p>A. The minutes of the Board meeting shall be prepared by the Secretary of the Board and then presented to the Chairman of the Board, and then to the members, for approval.</p>
<p>B. The draft minutes of the Board meeting shall be prepared within a period not exceeding five working days from the date following the meeting. The minutes are completed by both the Board secretary and the Board chairman, and then sent to the Board members.</p>
<p>C. Board meeting minutes shall include the discussions and deliberations held, as well as the location, date, start and end time of the meeting. It shall also document the Board's decisions and voting results, and be kept in a special and organized record. The names of the present members and any objections they may have made, if any, should be recorded, and the minutes should be signed by all present members.</p>
<p>D. Board members shall review the draft minutes of the Board meeting within five working days, and approve it or express their observations, if any.</p>
<p>E. The Board secretary incorporates amendments to the initial draft based on feedback received from Board members on the Board meeting minutes. The revised draft is then sent to the members within two working days from the date of receiving the feedback, after being reviewed by the Board Chairman.</p>
<p>F. The Board secretary shall prepare the Board meeting minutes in their final form, and the minutes become official once they are signed by all present members and the Board secretary. The Board secretary then sends a copy of the approved and signed minutes to the council members as soon as they are signed.</p>
<p>Article No. (7): Powers of the Chairman and his deputy</p>
<p>1. The Board appoints a chairman and a deputy from among its members. It is not permissible to combine the position of the chairman of the board with any executive position in the company. The chairman or his deputy, in the absence of the chairman, shall have the authority to call the board for a meeting and preside over the meetings of the board and the meetings of the general assembly of shareholders. The board chairman shall have the authority to represent the company before the judiciary, arbitral tribunals, and others. The company's articles of association may stipulate that the</p>

managing director or chief executive officer have the authority to represent it, and any of them may authorize others to represent the company.
2. The Chairman of the Board of Directors may delegate - by a written decision - some of his powers to other members of the Board or third parties to undertake a specific business or works, unless the company's articles of association stipulate otherwise.
3. The Deputy-Chairman of the Board of Directors shall replace the Chairman of the Board of Directors in his absence in cases where the Board of Directors has a Deputy-Chairman.
Article No. (8): Duties of the Chairman of the Board of Directors, his deputy, members of the Board and the Secretary
1. Duties of the Chairman of the Board
Without prejudice to the competencies and functions of the Board, the Chairman of the Board shall preside over the Board, supervise its workflow and perform its functions effectively. In particular, the duties and competencies of the Board Chairman shall include the following:
1. Ensuring that Board members receive complete, clear, correct and non-misleading information in a timely manner.
2. Ensuring that the Board discusses all key issues effectively and in a timely manner.
3. Representing the company before third parties or delegating some of his powers to carry out a specific task or actions in writing to other members of the Board or others in accordance with what is stipulated in the Companies Law, its implementing regulations and the company's articles of association.
4. Encouraging Board members to perform their duties effectively and in a manner that promotes the interests of the company.
5. Ensuring the existence of effective communication channels with shareholders and conveying their opinions to the board.
6. Encouraging constructive relationships and active participation between the board and the executive management, as well as between executive, non-executive, and independent members, and fostering a culture that encourages constructive criticism.
7. Preparing the agenda of the Board meetings, taking into account any issue raised by a member of the Board or raised by the auditor, as well as consulting with members of the Board and the CEO when preparing the Board's agenda.
8. Holding meetings periodically with non-executive board members without the presence of any executive in the company.
9. Presiding over the meetings of the general assembly of shareholders or delegating his deputy or whomever the board delegates in their absence.
10. Providing the shareholders with the company's financial statements, the board's report, and the auditor's report, unless they are published in a daily newspaper distributed at the company's headquarters, with a copy of these documents sent to CMA and the MOC at least fifteen days prior to the convening of the General Assembly.
11. Informing the Ordinary General Assembly, when it convenes, of the business and contracts in which a member of the Board has a direct or indirect interest, provided that such notification includes information provided by the member to the Board, and that this notification is accompanied by a special report from the company's external auditor.
12. Informing the Board members immediately when the company's losses reach half of the paid-up capital.
2. Duties of Board members
Each member of the Board, through his membership in the Board, shall perform the following tasks and duties:
1. Submitting proposals for developing the company's strategy.
2. Monitoring the performance of the executive management and the extent to which it achieves the company's goals and objectives.
3. Reviewing reports on the company's performance.

4. Verifying the correctness and integrity of the company's financial statements and information.
5. Verifying that the company's financial control and risk management regulations are solid.
6. Determining the appropriate levels of remuneration for members of the executive management.
7. Expressing an opinion on the appointment and dismissal of members of the executive management.
8. Participating in developing a succession and replacement plan for the company's executive positions.
9. To fully comply with the provisions of the Companies Law, the Capital Market Law, their implementing regulations, the relevant laws, and the regulations when exercising his membership duties in the Board, and to refrain from undertaking or participating in any act that constitutes an abuse of the management of the company's affairs.
10. To attend the meetings of the Board and the General Assembly and not to be absent from them except for a legitimate excuse notified to the Chairman of the Board in advance, or for urgent reasons.
11. To allocate sufficient time to carry out his responsibilities, prepare for and actively participate in the meetings of the Board and its committees, including asking relevant questions and discussing with the senior executives of the company.
12. Studying and analyzing information related to the topics considered by the Board before expressing an opinion on the same.
13. Enabling other members of the Board to express their opinions freely, and urging the Board to discuss issues and seek the opinions of experts from among the members of the executive management of the company and others, if needed.
14. Fully and immediately notifying the board of any direct or indirect interest in the business or contracts conducted for the company's account. This notification shall include the nature and scope of that interest, the names of any persons involved, and the expected direct or indirect benefit of that interest, whether it is financial or non-financial. The member shall also refrain from voting on any decision regarding that matter, in accordance with the provisions of the Companies Law, the Capital Market Law, and their implementing regulations.
15. Fully and immediately notifying the board of any direct or indirect participation in any business that competes with the company or any of its branches, in accordance with the provisions of the Companies Law, the Capital Market Law, and their implementing regulations.
16. Not to publish or disclose any secrets he came across through his membership in the Board to any of the company's shareholders - unless that was during the meetings of the General Assembly - or to others, as required by the provisions of the Companies Law, the Capital Market Law and their implementing regulations.
17. Acting on the basis of complete information, in good faith, with due diligence and care, for the benefit of the company and all shareholders.
18. Realizing his duties, roles and responsibilities arising from membership.
19. Developing his knowledge in the field of the company's activities and business and in the related financial, commercial and industrial fields.
20. Resignation from the membership of the Board in the event that he is unable to fully fulfill his duties in the Board.
In addition to what is mentioned above in this clause, an Independent member of the Board shall perform the following duties:
A. Expressing an independent opinion on strategic issues, the company's policies, and its performance, as well as appointing members of the executive management.
B. Ensuring that the interests of the company and its shareholders are taken into account and presented in the event of any conflict of interest.
C. Supervising the development of the company's governance rules, and monitoring the implementation of the executive management thereof.
3. Duties of the Secretary of the Board of Directors

A. Documenting the board meetings and preparing minutes thereof which include the discussions and deliberations held, as well as the location, date, start and end time of the meeting. It shall also document the Board's decisions and voting results, and be kept in a special and organized record. The names of the present members and any objections they may have made, if any, should be recorded, and the minutes should be signed by all present members.
B. Maintaining and keeping the reports submitted to the Board and the reports prepared by the Board.
C. Providing Board members with the Board's agenda, working papers, documents and information related thereto, and any additional documents or information requested by any of the Board members related to the topics included in the meeting's agenda.
D. Verifying the board members adherence to the procedures approved by the Board.
E. Informing the members of the Board of the dates of the Board's meetings well in advance of the scheduled date.
F. Presenting draft minutes to the members of the Board to express their views on the same before signature.
G. Ensuring that Board members fully and promptly obtain a copy of the minutes of Board meetings, information and documents related to the company.
H. Coordination between board members
I. . Organizing the disclosure record of the Board members and the Executive Management in accordance with the provisions of the Governance Regulations.
J. To act as a link between the Board and the Executive Management, through communication with the CEO, to obtain the requirements of the Board, materials and presentations of the meetings, provided that the communication with the Executive Management is through the head or deputy responsible for the activity/subsidiary.
K. Informing the executive management of the decisions and directives of the Board and coordinating and following up on obtaining the topics required to be presented to the Board.
L. Providing assistance and advice to the members of the Board.
Article No. (9): Remuneration of board members
The remuneration of Board members and all the benefits they receive - if any - shall be in accordance with the "Board and Executive Management Remuneration Policy" approved by the company's ordinary general assembly, in accordance with the official decisions and instructions issued in this regard, and within the limits specified by the relevant regulations. The Board's report to the ordinary general assembly shall include a comprehensive statement of all the remuneration, allowances, and other benefits received by board members during the fiscal year. The report shall also include a statement of any fees received for technical, administrative, or consulting work, as well as a statement of the number of board sessions attended by each member from the date of the general assembly meeting.
Article No. (10): Annual declarations and undertakings
Each Board member shall complete the Conflict of Interest Policy Undertaking Form on an annual basis.
Article No. (11): Board Committees
1. The Board shall have committees to assist it in performing its supervisory responsibilities as follows:
a. Audit Committee:
b. Nominations and Remunerations Committee.
2. The Audit Committee and the Remuneration and Nomination Committee shall be formed by the company's board of directors decision. The company's general assembly issues, based on a proposal from the board of directors, the work regulations for each committee, provided that these regulations include the committee's work controls and procedures, its tasks, the rules for selecting its members, how they can be nominated, and the term of their membership, as well as their remuneration, and the mechanism for temporary appointment of its members in the event of a vacancy in one of the committee seats.

<p>3. In addition to the permanent committees, the Board may form other temporary committees as needed and as it deems necessary to perform its responsibilities.</p>
<p>4. When a temporary committee is formed, the board shall decide the following:</p>
<p>a) Committee name.</p>
<p>b) Number of committee members and its composition, including the appointment of the committee chairman.</p>
<p>c) Nature of the committee's work, its duties and powers.</p>
<p>d) The time period granted for the completion of the work of the committee and the submission of its report to the Board.</p>
<p>5. The Board may dissolve temporary committees or redefine their duties or membership.</p>
<p>Without prejudice to the responsibilities of the Audit Committee towards the General Assembly of the company in accordance with the statutory requirements, the Board shall follow up on the work of its committees. In turn, the committees shall submit their reports to the Board periodically through their heads.</p>
<p>6. Without prejudice to the responsibilities of the Audit Committee towards the company's general assembly and the relevant regulatory authorities, the board shall always have membership and direct representation in its committees, to ensure their effectiveness and directions, ensure the soundness of their decisions, monitor their plans and performance, and achieve the set objectives.</p>



Evaluating the performance of the Board of Directors, its committees and the CEO

Article No. (12): Evaluation Goals and Criteria
1. Assisting the Board in achieving its objectives effectively.
2. The Chairman of the Board shall evaluate the performance of the Board, its members, as well as the performance of the Board committees and their members at least once a year. The procedures for these evaluations and their results shall be disclosed to the Board. The Board of Directors, in turn, shall evaluate the Chairman of the Board.
3. The evaluation process shall be conducted under the supervision of the Board chairman, with active participation from independent members. In addition, the evaluation process may require the assistance of the Nomination, Remuneration, and Human Resources Committee or a neutral entity.
4. Criteria for evaluating the board and its committees:
A. The evaluation shall be objective and independent.
B. The evaluation shall encourage open and constructive discussion about performance.
C. The Board has identified the main objectives intended to be achieved through the performance evaluation process.
D. The Board member shall be informed of the results of his individual evaluation which shall remain confidential.
5. The Board shall approve a clear plan of action, including the required aspects of development, and the Board shall monitor the performance of this plan, at least once a year.
6. The Board discusses any required corrective measures, and the committees discuss any required corrective measures.
7. The Nominations, Remunerations and Human Resources Committee uses the evaluation results as one of the inputs to the nomination process.
8. The Board of Directors, based on the proposal of the Nomination, Remunerations and Human Resources Committee, establishes the necessary mechanisms to annually evaluate the performance of the Board of Directors, its members, committees, and executive management; This is done through appropriate performance indicators related to the extent to which the strategic objectives of the company are achieved, the quality of the risk management performance, the adequacy of the internal control systems, etc.
9. Performance evaluation procedures shall be written and clear and disclosed to Board members and individuals involved in the evaluation.
10. Performance evaluation shall include an assessment of the skills and experience possessed by the Board members, as well as identifying and addressing areas of weakness and strength through possible solutions such as nominating professional competencies capable of improving the Board's performance. The performance evaluation shall also include an assessment of the overall working mechanisms of the Board.
11. Individual performance evaluation of Board members shall take into account the degree of the member's active participation, his commitment to performing his duties and responsibilities, including attending the Board and its committees sessions, and allocating the necessary time for them.
Article No. (13): Evaluation Period
1. The evaluation of the performance of the Board, its committees, members, and the Board's secretariat is implemented annually in accordance with the forms approved by the Board .
2. The Board shall make the necessary arrangements to obtain an evaluation of the performance of the member and the Board from a competent external party every four years.
Article No. (14): Items of the Board's performance appraisal forms
1. Main evaluation elements of the board
A. Did the Board set clear goals for performance and determine the extent of their good performance?
B. Did the Board contribute to the development of the company's strategy?
C. Is there an appropriate mix of experience and skills in the membership of the Board and its committees?

D. The degree and effectiveness of the relations between the board members and the CEO of the company.
E. How efficient and effective is the communication with the Board and its committees and the executive management of the company.
F. Board interaction in difficult situations and crises.
G. Is the Board provided with appropriate and timely information?
H. Are the number of meetings held by the Board and its subcommittees sufficient? Are the time available for these meetings sufficient so that the Board and its committees can consider all important matters?
I. Is the leadership of the Chairman of the Board is effective?
J. Do the board committees notify the board about the work they do?
K. Are the board committees effective in carrying out their work?
2. Elements of Board members evaluation
A. Assessment of active participation in general with the board or the company.
B. Evaluating commitment, including attendance and preparation for Board meetings.
C. The strength of the relationship with other members and the executive management of the company.
D. Willingness to develop the level of skills and knowledge.
E. Effectiveness of relations inside and outside the board, especially with shareholders.
F. Effectiveness of the members of the Board in their commitment to their duties and how successful they are in achieving the goals set for them.
G. Independence, impartiality, and freedom to present opinions and ideas.
H. Avoiding conflicts of interest, maintaining confidentiality, and adhering to the Code of Conduct and Ethics document.
3. Executive Management Evaluation
The performance of the CEO and the executive management of the company is evaluated based on the tasks assigned to the executive management. The functions and tasks of the executive management include the following:
1. Implementation of the company's internal policies and regulations approved by the Board of Directors.
2. Proposing a comprehensive strategy for the company, including main and interim action plans, investment policies and mechanisms, financing, risk management, emergency administrative situation plans, and their implementation.
3. Suggesting the optimal capital structure for the company, its strategies and financial objectives.
4. Suggesting the main capital expenditures of the company as well as acquiring and disposing of assets.
5. Proposing the organizational and functional structures for the company and submitting them to the board of directors for consideration and approval.
6. Implementing and supervising the internal control regulations, including:
A. Implementation of the conflict of interest policy.
B. Proper implementation of financial and accounting regulations, including regulations related to the preparation of financial reports.
C. Implementing suitable control systems to measure and manage risks by developing a general perception of the risks that the company may face and creating an environment that is familiar with the risk management culture throughout the company. These systems should be transparently presented to the board of directors and other stakeholders.
7. Effectively implement the company governance rules - in a manner that is consistent with the provisions of this regulations and propose modifications to these rules when necessary.

8. Implementation of policies and procedures that ensure the company's compliance with laws and regulations and its commitment to disclose material information to shareholders and stakeholders.
9. Provide the Board of Directors with the necessary information to exercise its powers and make recommendations regarding the following:
A. Increasing or decreasing the company's capital.
B. Dissolution of the company before the term specified in its articles of association or taking decision to continue it.
C. Use of the company's contingency reserve.
D. Creating additional reserves for the company.
E. Method of distributing the company's net profits.
10. Proposing a policy and types of bonuses to be granted to employees, such as fixed bonuses, performance-related bonuses, and bonuses in the form of shares.
11. Preparing periodic financial and non-financial reports on the progress made in the company's activity in light of the company's strategic plans and objectives, and presenting these reports to the Board of Directors.
12. Managing the company's daily work and conducting its activities, as well as managing its resources in an optimal manner and in accordance with the company's objectives and strategy.
13. Effective participation in building and developing a culture of ethical values within the company.
14. Implementing internal control and risk management regulations, verifying the effectiveness and adequacy of those regulations, and ensuring compliance with the risk level approved by the Board of Directors.
15. Suggesting and developing internal policies related to the company's work, including defining the tasks, specializations, and responsibilities assigned to the various organizational levels.
16. Suggesting a clear policy for delegating work thereto and the way to implement it.
17. Propose the powers delegated thereto, the decision-making procedures and the duration of the delegation, provided that it submits periodic reports to the Board of Directors on its practices of those powers.

نموذج تقييم كفاءة أداء مجلس الإدارة

BOARD PERFORMANCE EVALUATION FORM

Evaluation Preparer		
Year		

5 = Above Excellent	4 = Excellent	3 = Very Good	2 = Good	1 = Satisfactory	Evaluation levels:
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5	4	3	2	1	عناصر التقييم	م
5	4	3	2	1	Elements of evaluation	No.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The effectiveness of the Board's and its committees' discussions in achieving the company's strategic objectives and towards developing its necessary financial and human resources.	1
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The extent of the sense of collective responsibility among Board members and the level of constructive discussion on the topics presented to the Board and its committees.	2
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The extent of the Board members' understanding of their assigned roles, and the suitability of their skills and qualifications to perform those roles.	3
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The level of the leadership style of the Board Chairman, to work as one team with transparency, effectively helping to make decisions.	4
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The extent of the existence of clear and open communication channels between the Board of Directors and the executive management in both directions, to help the Board stay informed about the company's operations.	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The extent to which the Board reviews the risks associated with the company's operations in a clear and open manner, and works to understand and address obstacles rather than assigning blame.	6
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The adequacy of the number of Board members and the availability of all necessary skills and abilities to ensure the optimal effectiveness of the Board's work.	7
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Effective performance of the Board committees' tasks, and submission of reports in a clear and complete manner, within the deadlines set for them.	8
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Receiving the Board agenda, detailed information, and required reports for all topics to be discussed well in advance of meetings, allowing Board members to review and study them for adequate preparation for discussions.	9

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 This item is optional: The most important recommended proposals to improve the efficiency of the Board's performance:

BOARD MEMBER EFFECIENCY EVALUATION FORM

Name		
Entity		
Year		

5 = Above Excellent	4 = Excellent	3 = Very Good	2 = Good	1 = Satisfactory	Evaluation levels:
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5	4	3	2	1	Elements of evaluation	No.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The level of the member's readiness and preparation for Board and committee meetings.	1
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Demonstration of knowledge and specialized expertise when discussing topics during the sessions.	2
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The member's familiarity with the company's objectives and his understanding of its activities.	3
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The member's active participation and effective contributions to the topics presented or sent to the Board and its committees.	4
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The importance and extent of the member's applicable contributions and ideas to the board, its committees, or to the company.	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The extent to which the member keeps up with technological applications and their usage during sessions and in various Board and committee work.	6

This item is optional. Name of the evaluation preparer

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 This item is optional Main strengths

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 This item is optional. Main points for improvement

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NOMINATIONS AND REMUNERATIONS COMMITTEE'S PERFORMANCE EVALUATION FORM

Name	
Entity	
Year	

5 = Above Excellent	4 = Excellent	3 = Very Good	2 = Good	1 = Satisfactory	Evaluation levels:
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5	4	3	2	1	Elements of evaluation	No.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	How effective is the committee discussions in achieving the objectives of the Board and the company's strategy, and towards the tasks assigned thereto?	1
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The amount of sense of collective responsibility among the members of the committee, and the level of constructive discussion of the issues presented to the committee.	2
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The extent of the committee members' understanding of their assigned roles, and the suitability of their skills and qualifications to perform those tasks.	3
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The level of the leadership style of the committee chairman, to work as one team with transparency, effectively helping to make decisions.	4
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The extent of the existence of clear and open communication channels between the committee and the company's management in both directions, to help the committee stay informed about the company's operations.	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The extent to which the committee reviews restructuring plans and studies, the company's general budget, proposed projects, and studies plans and financing methods.	6
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The adequacy of the number of committee members and the availability of the necessary skills and capabilities to ensure optimum effectiveness of the committee's work.	7
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The committee's effectiveness in carrying out its assigned tasks and providing clear and complete reports to the Board within the specified deadlines.	8
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Receiving the committee agenda, detailed information, and required reports for all topics to be discussed well in advance of meetings, allowing Board members to review and study them for adequate preparation for discussions.	9

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This item is optional: The most important recommended proposals to improve the efficiency of the committee's performance:

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AUDIT COMMITTEE'S PERFORMANCE EVALUATION FORM

Evaluation Preparer	
Year	

5 = Above Excellent	4 = Excellent	3 = Very Good	2 = Good	1 = Satisfactory	Evaluation levels:
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5	4	3	2	1	Elements of evaluation	No.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Realization of core business goals All committee members are well aware of the various risks inherent in the company's activities.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Focusing on topics The committee focuses its reviews and discussions on the essence of the issues.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Communication with external auditors The Committee communicates effectively with the external auditors regarding the scope of the audit and the results of the audit and related matters.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	– The committee provides good support to the internal audit activity to enable it to achieve its objectives.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Understanding the main financial issues The Audit Committee has a good understanding of the major financial issues including significant accounting policies and complex transactions.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Effective discussion Audit committee meetings encourage meaningful and objective dialogue.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Reaction to bad news The review committee responds to bad news in a positive, constructive way to encourage transparency in the future.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Efficiency of chairing the committee The committee chairman works satisfactorily in terms of enhancing effective and productive meetings at an appropriate level of interaction.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Open communication channels The committee has open channels of communication with the company's contacts, which helps to address issues as they arise.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Realizing the importance of having a positive influence The Audit Committee strikes an appropriate balance between its oversight role and its positive influence.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Members with appropriate skills and experience The audit committee includes members who have an appropriate mix of skills and experience, including relevant financial expertise.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Clear responsibilities for risk management The audit committee's role in risk management is characterized by clarity.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Organized and appropriate annual agenda There is an annual agenda of issues to be addressed by the committee, with priorities related to the committee's core tasks.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Adequate number of meetings and available resources Meetings are held often enough and for an adequate period of time, and the audit committee has the ability to access resources to fully perform its duties.	

5	4	3	2	1	Elements of evaluation	No.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Calling the right people to attend meetings The executive management and others are requested to present topics as required.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Attendance and contribution to the meetings All members of the Audit Committee attend meetings and participate actively.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sufficient time and commitment to take responsibility All members of the audit committee have sufficient time and are committed to fulfilling their responsibilities.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Continuous personal development to keep up with updates Audit committee members engage in continuous personal development activities to develop their skills and knowledge.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The extent to which the committee secretary can assist the committee chairman and members in performing their roles and responsibilities through his/her role as a liaison between the committee, internal audit management, and the company.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Receiving the committee agenda, detailed information, and required reports for all topics to be discussed well in advance of meetings, allowing Board members to review and study them for adequate preparation for discussions.	
This item is optional: The most important recommended proposals to improve the efficiency of the committee's performance:						

Management evaluation form for the CEO's performance

Evaluation Preparer	
Year	

4 = Always; far exceeds expectations	3 = Most of times; exceeds expectations	2 = Sometimes; meeting full expectations	1 = Rarely; achieving minimum expectations	Evaluation levels:
---------------------------------------------	------------------------------------------------	-------------------------------------------------	---------------------------------------------------	---------------------------

4	3	2	1	Notes	Elements of evaluation	1
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Leadership: A/ The extent of the CEO's commitment to implementing the required objectives, tasks, and responsibilities.	1
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		B/ Adopts the principle of motivation and boosting morale for the company's employees.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		C / Works to encourage teamwork.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Strategic Planning: A/ Has the ability to plan and think strategically.	2
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		B/ Has the ability to achieve the strategic goals of the company.	

4	3	2	1	Notes	Elements of evaluation	1
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Financial Performance Planning: Committed to managing the company's financial performance according to its available resources in a way that achieves profitability.	3
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		CEO relationship with the board: A/ Keen to establish a positive relationship with the Board.	4
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		B/ Committed to presenting his strategic plans to the Board.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Foreign affairs: A/ Establishes balanced relationships with various related ministries and government entities to serve the interests of the company.	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		B/ Maintains balanced relations with major investors.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		C/ Establishes balanced relations with financiers.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		D/ Maintains balanced relations with the company's clients.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		E/ Establishes balanced relations with the shareholders.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Functional, moral and safe environment: A/ Ensures that a healthy work environment is available at all levels and locations of the company.	6
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		B/ Ensures that there is an effective safety regulation in all of the company's facilities.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Human Resources: A / Keen to attract qualified human cadres.	7
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		B/ Ensures the availability of effective human resources development plans.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		C/ Verifies the implementation of replacement plans according to high-level controls for selecting leaders and managers.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Follow-up on the implementation of decisions and objectives: A/ Committed to follow up on the implementation of the Board's decisions.	8
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		B/ Follows up the implementation of the board's priority goals.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Personality of the CEO of the company: A/ Has high leadership skills.	9
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		B/ Has a flexible personality that allows for accepting the views and opinions of others.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		C / Has the power of positive personality.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		D/ Enjoys the skill of time management.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		E / Keen to choose the appropriate decision for the company.	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		F/ Has a high level of intelligence and wide-ranging insight.	



Conflict of Interest and Code of Conduct and Ethics Policy

Al Jouf Cement Company

This Policy was issued by a resolution of the General Assembly of the company's shareholders held on (-----
-----), corresponding to as amended by General Assembly Resolution dated
corresponding to

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III : Cases of conflict of interest
IV : Stakeholders
V : Conflict of Interest
VI : Conflicts of interest related to external auditor and advisors
VII : Company exploitation
VIII : Confidential information
IX : Fair Treatment
X : Protection and use of company assets
XI : Accurately maintaining records and preparing reports.
XII : Communication
XIII : Compliance with laws, rules and regulations
XIV : Reporting illegal or unethical behavior
XV : Insider trading
XVI : Protection of sustainable environment
XVII : Company social responsibility
XVIII : Gifts and Donations
XIX : Amendments and Exemptions
XX : Responsibility

I : Introduction:
The Conflict of Interest and Code of Conduct and Ethics Policy has been developed to ensure that the company focuses, through its Board of Directors, on areas of ethical risk, provide guidance to employees on identifying and dealing with ethical issues, provide mechanisms for reporting unethical behavior, and help promoting a culture of honesty and accountability.
II : Purpose
This policy includes the policies and procedures that regulate the conflict of interest of each of the company's shareholders, the board of directors, the company's committees, senior executives, employees, auditors, consultants and other stakeholders as needed (collectively referred to in this policy as " Concerned Persons "). This policy also aims to help the "concerned persons" to deal with cases of conflict in accordance with legal requirements and the accountability and transparency objectives applied by the company in its operations.
The policy also includes the code of conduct and ethics related to legal and ethical standards of behavior that are expected to be followed by the Board of Directors, executive employees, and company employees while carrying out their duties and responsibilities on behalf of the company.
III : Cases of conflict of interest
A conflict of interest arises when the private personal interests of persons interfere in any way with the general interests of the company.
The following are examples of cases of conflict of interest or cases from which a conflict of interest may arise:
1. That a Concerned Person uses his position in the company, information, or business opportunities obtained during their work in the company to obtain personal benefits or to achieve benefits for a third party.
2. When a "Concerned Person" establishes a company that carries out an activity similar to that of the company.
3. When a "Concerned Person", such as a member of the Board of Directors, takes a decision or enters into a transaction or purchase in favor of a company in which he has an interest.
4. That the employee and/or one of his relatives engage in any business for suppliers, sub-suppliers or competitors.
5. When a "Concerned Person" engages in activities or has interests that may make it difficult for him to perform his duties in the company objectively and effectively.
6. When a Concerned Person, or a member of his family, receives improper personal benefits because of his position in the company.
7. When a Concerned Person (such as a member of the Board) takes a fee for providing consultations to another company competing with the company, meaning that the nature of its work and activity is similar to one of the company's main activities.
8. The company and stakeholders shall consider taking actions that ensure the company's interests are prioritized in cases of conflict of interest, according to the best available circumstances. Concerned Persons shall refrain from influencing the company's decisions in any action that may create a potential conflict of interests, including abstaining from voting on any resolution or order that may be subject to a potential conflict of interests. They should also disclose any conflict of interests that arises due to their relationship with the company, according to the disclosure methods and procedures set out in this policy and related regulations in the Kingdom.

9. Mediating the employment of relatives and friends in the company or its subsidiaries or making recommendations regarding their employment. In the event that a relative applied for a job, the concerned person should not mediate for him and let things proceed according to the procedures and policies determined by the company without direct or indirect influence or interference.

IV : Stakeholders

This policy shall apply to the below stakeholders:

1. Major shareholders of the company who own 5% or more of the company's capital.
2. Members of the company's board of directors and company committees.
3. Senior executives and company employees.
4. Company auditors and consultants.
5. Other stakeholders, as the case may be

V : Conflict of Interest

1. Neither a member of the Board of Directors nor senior executives may have any direct or indirect interest in the business and contracts carried out on behalf of the company, except with the permission of the Ordinary General Assembly and in accordance with the regulations established by the competent authority, which is renewed annually. However, transactions carried out through public tenders are excluded from this restriction if the member presents the best offer.
2. A member of the Board of Directors or senior executives shall inform the Board of any direct or indirect interest they have in transactions or contracts made on behalf of the company. This notice shall be recorded in the minutes of the Board meeting, and the member in question shall not be allowed to participate in the vote on the decision regarding this matter, neither in the Board of Directors nor in the General Assembly.
3. The Chairman of the Board informs the shareholders at the General Assembly meeting of any transactions or contracts where a member of the Board or senior executives have a direct or indirect interest, and attaches a special report from the independent auditors to this notice.
4. If a Board member fails to disclose his interest as referred to in paragraph (1) of this article, the company or any interested party may file a claim with the competent judicial authority to invalidate the contract or require the member to pay back any profit or benefit he gained therefrom.
5. The responsibility for damages resulting from the transactions and contracts referred to in paragraph (1) of this article falls on the member who has an interest in the transaction or contract, as well as on the Board of Directors members if these transactions and contracts were carried out in violation of the provisions of that paragraph, or if they were proven to be unfair or involve a conflict of interests that harms the shareholders.
6. Board members who oppose the decision are exempted from liability if they explicitly express their objection in the meeting minutes. Absence from the meeting where the decision was made does not constitute a reason for exemption from liability unless it is proven that the absent member was not aware of the decision or was unable to object to it after becoming aware of it.
7. Board members or senior executives are not allowed to engage in any activity that competes with the company, or to compete with the company in any branch of its activities. The company has the right to demand appropriate compensation from them before the competent judicial authority unless they have been granted permission by the General Assembly to do so, in accordance with the regulations established by the competent authority.
8. Directors are not allowed to disclose to shareholders outside the General Assembly meeting or to third parties any company secrets that they may have become aware of as a result of their management position.
9. The company is not allowed to provide any cash loans to any of its members or to provide guarantees related to any loans made by a Board member with third parties, except for banks and other credit companies.

10. The company shall disclose any transaction concluded between the company and any of its board members, executives, or any related party, and notify the Capital Market Authority, and then publish it on the Tadawul website. This disclosure shall be included in the annual report of the Board of Directors.
11. All transactions and contracts made with major shareholders and their relatives who own 5% or more of the company's shares, whether directly or indirectly, or who have a controlling interest in any of its subsidiaries, are subject to the same conditions as transactions made with third parties.
12. All transactions made with major shareholders and their relatives who own 5% or more of the company's shares, whether directly or indirectly, or who have a controlling interest in any of its subsidiaries, must be disclosed in accordance with the regulations and laws.
VI : Conflicts of interest related to external auditor and advisors
1. The company's external auditors shall be independent.
2. When appointing any financial or legal advisor or external auditor, cases of conflict of interest and what is stipulated in the laws issued by the controlling and regulatory authorities in this regard should be taken into consideration.
VII : Company exploitation
The company's employees are prohibited from the following:
<ul style="list-style-type: none"> • Exploiting opportunities for personal gain that are discovered through the use of company assets, information, or position. • Using the company's property, information or job for personal benefits. • Competing with the company, or entering into business that competes with the company.
VIII : Confidential information
Company employees shall maintain the confidentiality of information entrusted to them by the company or its clients, unless disclosure is authorized or legally mandated. This includes "confidential information", which refers to all non-public information that could be useful to competitors or could cause harm to the company or its clients if disclosed.
IX : Fair Treatment
Company employees shall endeavor to deal fairly with the Company, customers, suppliers, competitors and Company employees. No one should take advantage of anyone through manipulation, concealment, misuse of information, misrepresentation of material facts, or any other unfair practice.
X : Protection and use of company assets
1. The company's employees shall protect the company's assets and ensure that they are used efficiently as theft and negligence have a direct impact on the company's profitability.
2. All company assets should be used for legitimate and permissible business purposes.
XI : Accurately maintaining records and preparing reports.
1. The company's employees and workers shall accurately reflect the company's transactions in its books, records, accounts, and reports, and maintain an appropriate regulation of internal controls and disclosure controls to enhance compliance with the laws, rules, and regulations applicable to the company.
2. Forgery of any company records is prohibited, and all authorized or legally mandated reports, documents, or disclosures to the public should be complete, accurate, and understandable.
XII : Communication
The company shall establish a clear communication policy with its shareholders, employees, and other stakeholders, (in which the company commits to open, transparent, neutral, and timely information).
XIII : Compliance with laws, rules and regulations
The company's employees shall comply with the laws, rules and regulations applicable to the company.
XIV : Reporting illegal or unethical behavior

1. Company employees shall encourage ethical behavior and shall encourage employees to speak to supervisors, managers, or other employees when they have concerns about the best course of action in a particular situation.
2. Company employees shall report any violations of laws, rules, regulations, or these policies to the company's management affairs employee or the chairman of the nominations and compensation committee of the Board. Violations will be investigated, and necessary actions will be taken by employees or Board members.
3. The company will not allow the application of any retaliatory actions on the employees for their good faith reporting.
XV : Insider trading
Members of the Board of Directors, members of the Audit Committee and senior executives of the company or any person related to any of them may not deal with any securities of the company during the following periods:
1. Within the 15 calendar days preceding the end of the fiscal quarter until the date of disclosure of the company's initial financial statements after the required examination, disclosure shall be made in accordance with the executive regulations issued by Capital Market Authority.
2. Within the (30) calendar days preceding the end of the fiscal year until the date of disclosing the audited annual financial statements or the initial financial statements for the fourth quarter in the event that the company discloses them after examination and fulfillment of the requirements of the executive regulations issued by the Capital Market Authority.
The above-mentioned prohibition does not apply to the exercise of the subscription right to preemptive rights and sell the same.
Upon termination or removal of a Board member, termination of the membership of any Audit Committee member, or the resignation of any of the senior executives from the Company during any of the prohibition periods referred to above, the prohibition periods (where applicable) shall apply to that member or the chief executive and any a person related to any of them.
XVI : Protection of sustainable environment
The company shall prepare regulations related to preserving the environment and establishing a balance between economic growth and continuous improvement of environmental performance and social responsibility.
XVII : Company Social Responsibility (Optional)
The company shall implement a clear policy that addresses labor practices, occupational health and safety, community involvement, as well as customer and supplier relationships.
XVIII : Gifts and Donations
1. The company's employees are prohibited from accepting, soliciting or taking gifts and donations related to the company's business, except for normal hospitality matters.
2. Donations for social and charitable purposes are only allowed under regular limits and with complete transparency.
XIX : Amendments and Exemptions
No amendments to the company's governance regulations or any exemptions or exceptions from their application may be approved except by the Board based on the recommendation of the executive committee and the approval of the company's General Assembly.
XX : Responsibility
1. Every director, executive officer or worker is responsible for knowing the relevant laws and regulations, including this Code of Conduct and Ethics.
2. In all cases where this Governance Policy and Code of Conduct and Ethics appear incomplete or unclear, each director or executive officer shall make their decision based on the company's

interest and the absence of conflicts of interest. When necessary, advice shall be sought from the company's legal advisor or the Board of Directors.

3. All company employees are required to comply with this code of conduct and ethics in its entirety, and any employee who violates this code shall be subject to disciplinary action.

4. Non-compliance may be subject to disciplinary penalties as per company regulations and Labor Law.

Disclosure and transparency policy

Al Jouf Cement Company

This Policy was issued by a resolution of the General Assembly of the company's shareholders held on (-----
-----), corresponding to as amended by General Assembly Resolution dated
corresponding to

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IV : Disclosure procedures for material developments
V : Disclosure of financial information
VI : The Board of Directors' Draft Report
VII : Disclosure via the website and the media:
VIII : Disclosure of Company Governance
IX : Disclosure of remunerations:
X : Disclosure of company social responsibility policies
XI : Capital notification
XII : Board disclosures
XIII : Miscellaneous
XIV : Submission of documents to the Capital Market Authority
XV : Wages and remunerations of board members and executives
XVI : Equity notice

I : Introduction:
Disclosure and transparency policy has been developed to ensure that the company discloses all material matters accurately and in a timely manner, including the company's financial position, performance, governance, and reporting on the rules related to disclosure of information, methods of classifying information, and the timing of disclosure. The responsibility for disclosure shall be to the CEO of the company, and he shall have the right to delegate whoever he deems fit to be among the company's employees.
II : Purpose
The company shall comply with the laws, rules and regulations related to disclosure. All reports, documents or communications permitted to be legally disclosed to the public shall be complete, fair, accurate and understandable.
To ensure fair disclosure to all stakeholders at the same time, the company refrains from disclosing any information, especially to financial analysts, financial institutions, or other parties, before disclosing the information to (Tadawul) as a whole.
III : Disclosure of material developments
Material information is defined as any information related to the conditions and activities of the company, its level of performance, and information that is expected to directly affect events that may lead to a material change in the conditions of the stock market or the company's share price. Therefore, all similar material information must be published widely, in a timely manner, and in accordance with regulations and laws.
a. The company shall notify the Capital Market Authority and the public without delay of any major developments in its field of activity that are not considered public knowledge and may have an impact on the company's assets and liabilities, its financial position, or the general course of its business, which may:
<ul style="list-style-type: none"> • Lead to significant movements in the price of listed securities. • In the event that the company has instruments, they lead to a significant movement in the price of its securities included in the list, or significantly affect its ability to fulfill its obligations.
b. The major developments referred to above that the Company is required to disclose include, but are not limited to:
1. Any transaction to purchase, sell, mortgage or lease an asset at a price equal to or greater than 10% of the company's net assets according to the latest examined preliminary financial statements or audited annual financial statements, whichever is more recent.
2. Any indebtedness outside the normal activity of the company in an amount equal to or greater than 10% of the net assets of the company according to the latest examined preliminary financial statements or audited annual financial statements, whichever is more recent.
3. Any losses equal to or greater than 10% of the net assets of the company according to the latest examined preliminary financial statements or audited annual financial statements, whichever is more recent.
4. Any major change in the company's production environment or activity, including - but not limited to - the availability of resources and the possibility of obtaining them.
5. Change of the CEO of the company or any change in the composition of the members of its board of directors or in the audit committee.
6. Any dispute, including any litigation, arbitration or mediation if the amount of the dispute or claim is equal to or greater than 5% of the net assets of the company according to the latest examined preliminary financial statements or audited annual financial statements, whichever is more recent.
7. Any judicial judgment issued against the Board of Directors or one of its members, if the subject matter of the judgment is related to the work of the Board of Directors or one of its members.
8. Increase or decrease in the net assets of the company equal to or more than 10% according to the latest examined preliminary financial statements or audited annual financial statements, whichever is recent.
9. Increase or decrease in the total profits of the company equal to or more than 10% according to the latest audited annual financial statements.

10. Entering into a contract whose revenues are equal to or greater than 5% of the company's total revenues according to the latest audited annual financial statements, or the unexpected termination of that contract.
11. Any transaction between the company and a related party, or any arrangement whereby both the company and a related party invest in any project or asset or provide financing for it if this transaction is equal to or more than 1% of the company's total revenues according to the latest audited annual financial statements.
12. Any interruption in any of the main activities of the company or its subsidiaries (if any) equal to or more than 5% of the company's total revenues according to the latest audited annual financial statements.
13. Any change in the articles of association or the headquarters of the company.
14. Any change to the chartered accountant.
15. Submitting a liquidation petition, issuing a liquidation order, or appointing a liquidator for the company under the Companies Law.
16. The issuance of a decision by the company to dissolve or liquidate it, or the occurrence of an event or the expiration of a period of time that necessitates placing the company under liquidation or dissolution.
17. The issuance of any recommendation or decision by the person authorized by the company to submit to the court a request to initiate any of the bankruptcy procedures for the company under the bankruptcy law, with an indication of its impact on the company's financial position or the general course of its business.
18. The issuance of a judgment, decision, declaration or order from a court or judicial body, whether in the first instance or appeal stage, that may negatively impact the company's utilization of any part of its assets with a total value exceeding 5% of the company's net assets, based on the examined preliminary financial statements or audited annual financial statements, whichever is more recent.
19. Invitation to convene the general or special assembly and its agenda.
20. Results of the general or special assembly meeting.
21. Any proposed change in the company's capital, with an indication of its impact on holders of convertible debt instruments (as applicable).
22. Any decision declaring profits, recommending their declaration, paying shares thereof, or making other distributions to the holders of listed securities.
23. Any decision or recommendation not to distribute profits in cases where the company is expected to distribute profits.
24. Any decision to call, buy back, withdraw, redeem or offer to buy its securities, the total amount
25. and the number of securities and their value.
26. Any non-payment decision in respect of debt instruments or convertible debt instruments.
27. Any change in the rights associated with any class of listed shares or convertible debt instruments.
c. The above-mentioned disclosure shall be submitted within the statutory period set by the Capital Market Authority.
IV : Disclosure procedures for material developments
The company establishes procedures for disclosing any information, which include the following:
1. Preparing and drafting regulatory announcements and press releases in accordance with the requirements of the Capital Market Authority.
2. Presentation of draft announcements and news to the CEO and other senior executives and employees authorized to do so. Sometimes, the draft may also be circulated to the board of directors for their input if the CEO deems it necessary.
3. Publishing these announcements first on the website of the financial market (Tadawul), and then in daily newspapers and websites (as the case may be) and through other means of publication to ensure a wide spread of the same.
4. Requests to obtain material information that is not subject to publication should be denied.
V : Disclosure of financial information

1. The Board of Directors approves the quarterly and annual financial statements which are signed by a member delegated by the Board of Directors, the Chief Executive Officer and the Chief Financial Officer, based on the recommendation of the Audit Committee before issuance.
2. The quarterly and annual financial statements and the auditor's report shall be deposited with the Capital Market Authority upon approval by the Board of Directors.
3. The company announces its quarterly and annual financial statements and auditor's report as soon as they are approved by the board of directors. These statements should not be published before their announcement on Tadawul.
4. The company provides the regulatory authorities responsible for the financial market with its audited financial data (prepared and reviewed in accordance with International Accounting Standards) as per the regulatory time frame set by the Capital Market Authority.
VI : The Board of Directors' Draft Report
1. The company shall include in its annual financial report a report issued by the board of directors that provides an overview of the company's operations during the previous financial year and all relevant factors that may affect the investor's assessment of the company's assets, liabilities, and financial position.
2. The Board of Directors report shall includes the following:
<ul style="list-style-type: none"> • The provisions of this Governance Regulation that have been applied and what have not been implemented and the reasons for the same.
<ul style="list-style-type: none"> • Names of board members, committee members and executive management, their current and previous jobs, qualifications and experience.
<ul style="list-style-type: none"> • Names of any joint stock or joint venture companies in which a member of the company's board of directors works as a member of its board of directors.
<ul style="list-style-type: none"> • Formation of the Board of Directors and classification of its members as follows: Executive Board member, non-executive board member, or independent member.
<ul style="list-style-type: none"> • A brief description of the priorities and duties of the main committees of the Board, such as the Audit Committee and the Nominations and Remunerations Committee, indicating their names, the names of their chairmen, the names of their members, and the total number of meetings for each of them.
<ul style="list-style-type: none"> • Details of remunerations and wages paid to each of the following: <ul style="list-style-type: none"> – Chairman and members of the Board of Directors. – The top five executive officers who received the highest compensation and remunerations from the company in addition to the CEO and CFO if they are not among the top five.
<ul style="list-style-type: none"> • Any penalty or preventive restriction imposed by the competent authorities or any other supervisory, regulatory or judicial body on the company.
<ul style="list-style-type: none"> • Results of the annual review of the effectiveness of the company's internal control procedures:
<ul style="list-style-type: none"> • A description of the company's and its group's main activities, and in the case of describing two or more activities, a detailed description of each activity to clarify its role in the capital cycle and its contribution to the company's business results.
<ul style="list-style-type: none"> • A description of the company's important plans and decisions (including corporate restructuring, business expansion or cessation of operations), the company's future prospects and any risks facing the company.
<ul style="list-style-type: none"> • A summary of the company's assets and liabilities and the results of the company's business for the past five financial years.
<ul style="list-style-type: none"> • A geographical analysis of the company's capital turnover and the unified capital turnover of its branches outside the Kingdom.
<ul style="list-style-type: none"> • An explanation of any material differences between the operating results for the previous year and the operating results for the previous year or any expectations announced by the company.

<ul style="list-style-type: none"> • An explanation of any departure from the accounting standards issued by the Saudi Organization for Certified Public Accountants.
<ul style="list-style-type: none"> • The name of each subsidiary, its main activity, its principal country of operations, and its country of incorporation.
<ul style="list-style-type: none"> • Details of issued shares and debt instruments for each subsidiary.
<ul style="list-style-type: none"> • Description of the company's profit policy.
<ul style="list-style-type: none"> • Any information related to loans taken by the company (whether repayable on demand or otherwise) should be disclosed, along with a statement of the company's total debt and that of its group, including any amounts paid by the company to repay loans during the year. In the event that the company does not have any outstanding loans, an appropriate statement should be provided.
<ul style="list-style-type: none"> • A description of the denominations and numbers of any convertible debt instruments, options, warrants, or similar rights issued or granted by the Company during the fiscal year, as well as the consideration received by the Company.
<ul style="list-style-type: none"> • A description of any transfer or subscription rights under any convertible debt instruments, options, warrants or similar rights issued or granted by the Company.
<ul style="list-style-type: none"> • A description of any redemption, purchase or cancellation by the company of any redeemable debt instruments and the amount of such unpaid securities, and the distinction between those securities purchased by the company and those purchased by its subsidiary.
<ul style="list-style-type: none"> • Number of board meetings held during the last fiscal year and the attendance record for each meeting.
<ul style="list-style-type: none"> • A comprehensive statement of all amounts received by the Directors during the fiscal year, such as salaries, profit share, attendance fees, expenses, and other entitlements, as well as all amounts received by the Directors in their capacity as executives of the company.
<ul style="list-style-type: none"> • Information related to any contract to which the company is a party and which involve any member of the board of directors, CEO, CFO, or any interested party with a material interest. If there are no such contracts, the company shall provide an appropriate statement to that effect.
<ul style="list-style-type: none"> • A description of any arrangements or agreement under which one of the directors or CEO of the company waives any compensation or reward.
<ul style="list-style-type: none"> • A description of any arrangements or agreements regarding the waiver of any right to dividends by one of the company's shareholders.
<ul style="list-style-type: none"> • A statement of the payable amount due to zakat, taxes, duties or other fees, with a brief description of the same and the reasons for that.
<ul style="list-style-type: none"> • A statement of the value of any investments made or any other reserves established for the benefit of the company's employees.
<ul style="list-style-type: none"> • Declarations of the following:
<ul style="list-style-type: none"> - "The account records have been prepared correctly."
<ul style="list-style-type: none"> - "The internal control system was prepared on sound foundations and implemented effectively."
<ul style="list-style-type: none"> - "There is no doubt about the company's ability to continue its activities."
<ul style="list-style-type: none"> • If any of the above-mentioned data could not be fulfilled, the report shall include a statement explaining the reasons for the same.
<ul style="list-style-type: none"> • If the auditor's report on the relevant annual accounts is qualified, and if the Capital Market Authority needs additional information, the auditor's report shall include that information that was submitted to the Capital Market Authority.

VII : Disclosure via the website and the media:

1. The company must update its website on an ongoing basis to communicate with shareholders, investors and all members of the public. The website should be developed and updated by the relevant management. The information should be verified and reviewed by the governance management before being published on the website. This is to ensure that the information and content comply with the regulatory disclosure requirements

for listed companies and to avoid any violations that may result from publishing information that should not be disclosed according to the regulations and rules of CMA.

VIII : Disclosure of Company Governance

The company shall disclose its governance policies and procedures, as well as related documents on its website or any other means according to the company's policy, including the following:

- The Company's AOA.
- Governance regulation and other related documents.
- Annual report of the board of directors.
- Preliminary (quarterly) financial statements and final annual accounts.
- Audit committee annual report.
- The minutes of the general assemblies of shareholders and their deliberations
- All announcements posted on Tadawul.
- Any other reports or documents that the company deems to enhance the disclosure and transparency process in a manner that is consistent with laws and regulations

IX : Disclosure of remunerations

A. The Board of Directors shall do the following:

1. Disclosure of the remuneration policy and how to determine the remuneration of the members of the Board and the executive management of the company.
2. Accurate, transparent and detailed disclosure of the Board of Directors report about the remunerations granted , directly or indirectly, to members of the Board of Directors and the executive management without concealment or misleading, whether they are amounts, benefits or privileges of any nature and name. If the benefits are shares in the company, then the value entered for the shares is the market value at the maturity date.
3. Clarify the relationship between the bonuses granted and the applicable remuneration policy, and indicate any material deviation from this policy.
4. A statement of the necessary details regarding remunerations and compensations paid to each of the following separately:

- Board Members.

- Five of the senior executives who received the highest remuneration from the company, including the chief executive officer and chief financial officer.

- Committee members.

B. The disclosure contained in this article shall be in the report of the Board of Directors and in accordance with the schedules set by CMA.

X : Disclosure of company social responsibility policies is optional

The company shall disclose its corporate social responsibility policies and procedures with regard to employees, society and the environment at least once a year.

XI : Capital notification

The company shall notify the Capital Market Authority without delay of the following information:

1. Any proposed change in the company's capital.
2. Any significant change in the possession or identity of persons who hold more than 5% of the securities of the said company.
3. Any decision declaring, recommending, or paying dividends, or providing any other dividends to shareholders.
4. Any decision not to announce, recommend, or pay that would have been expected to be announced, recommend, or paid in the normal course of events.

5. Any decisions to call, repurchase, withdraw, replace, or suggest the purchase of any of the securities and their total amount.
6. Any decision not to pay in relation to the listed debt instruments.
7. Any change in the rights associated with any class of securities included in the list or in any securities in which the listed securities are transferable.
XII : Board disclosures
The Board of Directors shall regulate the disclosures of each of its members and executive management members, taking into account the following:
1. Establishing a special register for the disclosures of the members of the Board of Directors and the Executive Management and updating it periodically, in accordance with the disclosures required under the Companies Law, the Capital Market Law and their implementing regulations.
2. Enabling the company's shareholders to view this register without any financial cost.
3. The members of the Board of Directors may not disclose, except in the meetings of the General Assembly, what they came to know of the company's secrets.
4. Members of the board of directors are not allowed to use their knowledge gained from their position to achieve personal gains, or gains for their relatives or others. If they do so, they should be removed from their position and held liable for any damages caused.
XIII : Miscellaneous
The company shall immediately notify the Capital Market Authority of the following:
1. Any change in the company regarding governance regulations and policies or in the location of its main office.
2. Submitting any request, issuing any order, or setting a date for liquidation in relation to the company or any of its subsidiaries under the Companies Regulations, or initiating any procedures under the bankruptcy laws.
3. The issuance of a decision by the company, or any of its branches, that it will be dissolved or liquidated, and the occurrence of any circumstances or terminations that may require the company to be in a state of liquidation.
4. The issuance of any judgment, order or declaration issued by a competent court or judicial body, whether at first instance or appeal stage, which may negatively affect the company's use of any part of its assets whose total value represents an amount exceeding 5% of the book value of the company's net assets; Or to realize that the percentage of listed shares in the hands of the public or the number of required shareholders as per the regulations of the Capital Market Authority (CMA) has fallen below the required levels.
XIV : Submission of documents to the Capital Market Authority
The company shall send a copy of all circulars sent to shareholders and all documents related to acquisitions and mergers, including offers, notices of meetings, reports, announcements, and other similar documents, to the Capital Market Authority (CMA) immediately upon issuance.
XV : Wages and remunerations of board members and executives
The company or any of its branches, when paying wages or remunerations to the director or proposed director of the company or any of its executive employees or to any director or proposed director of any of its subsidiaries, shall ensure the following:
1. Send full written details of any of these proposed remunerations or compensations to all shareholders before the General Assembly of Shareholders at which the proposed action and compensation will be the subject of a vote.
2. Shareholders in the company shall agree in advance on the terms of the salary or remunerations in a general meeting in which the relevant director or executive employee does not vote on these conditions.
XVI : Equity notice

1. The person concerned with the following event shall notify the company and the Capital Market Authority at the end of the trading day of the occurrence of any of the following events:
<ul style="list-style-type: none"> • Becoming an owner or interested in 5% or more of any class of voting shares or convertible debt instrument.
<ul style="list-style-type: none"> • Ownership or interest of the person referred to above that increases or decreases by 1% or more of the company's shares or debt instruments.
<ul style="list-style-type: none"> • When the director or chief executive officer of the company becomes an owner or interested in any rights in the shares or debt instruments of the company (or any of its subsidiaries).
<ul style="list-style-type: none"> • The ownership or interest of any director or executive officer in the Company that is greater or less than 50% or more in the shares or debt instruments he owns in the Company (or any of its subsidiaries), or by 1% or more in the shares or debt instruments of the Company (or any of its branches) whichever is less.
2. When calculating the total number of shares in which a person is interested, that person is deemed to be interested in any shares owned or controlled by any of the following persons:
<ul style="list-style-type: none"> • The spouse or minor child of that person.
<ul style="list-style-type: none"> • The company controlled by that person (where that person holds 30% or more of the voting power or if the company or its directors are accustomed to acting in accordance with that person's directions).
<ul style="list-style-type: none"> • Any other persons with whom he agreed to work to obtain a share of the company's shares.
3. The above-mentioned notice should be prepared according to a form prepared by the Capital Market Authority (CMA) and should include at least the following information:
<ul style="list-style-type: none"> • Names of persons who own or have the right to dispose of shares or debt instruments.
<ul style="list-style-type: none"> • Ownership or interest details.
<ul style="list-style-type: none"> • Details of any loans or financial support a person has received from any other person.
<ul style="list-style-type: none"> • Purpose of ownership or interest.
4. If there is a change in the ownership or interest disclosure that has been previously disclosed, the Concerned Person shall immediately notify both the company and the Capital Market Authority (CMA) of this change. The person shall not dispose of any shares or debt instruments of the company until ten days have elapsed from the date of notification.
5. Without prejudice to the provisions of this article, any person who becomes the owner or interested party of 10% or more of any category of voting shares or convertible debt instruments shall not act without obtaining the approval of the Capital Market Authority (CMA).